the Freeman

Ideas on Liberty

NOVEMBER 1978

The Rise and Decline of a Welfare State

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John A. Sparks

PERSPECTIVES ON HUNGER IN THE WORLD

THE ATMOSPHERE in which problems of world hunger are discussed today is charged with emotion. Formerly there were those who quite properly called our attention to hunger in the world and advocated voluntary Christian charity as a response. But, increasingly, there is a harsher sound to the "hunger rhetoric." Some large and influential groups, for instance, are advocating the creation of a new "right to food." Others disdain talk of rights but they do make accusations ascribing "world hunger" to the existence of an "affluent West." What causes hunger in the world? Are matters getting worse today or better? What should be our perspectives on hunger in the world?

Dr. Sparks is Associate Professor of History and Director of the Institute on Public Policy and Private Enterprise at Grove City College in Pennsylvania.

Famine, the severe shortage of food in a wide geographic area, has been *the rule* rather than the exception throughout most of history. Biblical accounts frequently mention famine. A vast famine sent Abraham and then Joseph's family to Egypt. Famine sets the stage for much of the book of Ruth; famine occurs during King David's reign. There are at least a dozen other references in the Bible to famine.

In more recent periods, observers report that there were *ten famines* in what we call Europe during the *10th century* and *twenty-six famines* in the *11th century*.[1] In the 13th century famine occurred in England and Ireland at the beginning of the era (1203) and again in England only six years later (1209). During the English famine of 1239, there were reports of people eating their

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children. Other serious famines during the 13th century were reported in Germany (1243), Sicily (1268), Poland (1281) and Scotland (1297).[2]

An analysis of the 14th century produces a similar picture of frequent famine. One historian summarizes it this way: "By 1300, almost every child born in western Europe faced the probability of extreme hunger at least once or twice during his expected 30 to 35 years of life."[3] More particularly *general* famine was reported in France in 1304, 1305, 1310, 1315-1317, 1330-1334, 1344, 1349-1351, 1358-1360, 1371, 1374-1375 and 1390.[4] There were many more local famines. During this century in which Europe suffered so many food crises, it is well worth noting that India was no better off. Her worst known famine occurred in 1396 and lasted for 12 years.[5] General famine was the rule rather than the exception during century after century of history.

In the 19th and 20th centuries the pattern of famine was altered. Agricultural economist D. Gale Johnson says that famine has *decreased* in the two most recent centuries both as a percentage of the world's population affected by serious hunger and in terms of absolute numbers of persons dying from hunger.[6] Put another way, in parts of the world which previously faced famine decade after decade, hunger is no longer a problem. Yet food disasters continue to occur in other parts of the globe. Why was famine so *prevalent* in past centuries and why does it continue in *some* parts of the world today?

War and Political Instability

Famine often follows war. The reason is not difficult to understand. War creates grave, continuous disruption of agricultural endeavors. It is no coincidence that the hungry European 14th century parallels the "Hundred Years War" (1337-1453), that long series of clashes between France and England. Food production was set back then because the soldiers scorched fields, destroyed the few farming tools in existence, and burned mills, barns, manors, vineyards and orchards.[7] Fearing for their lives, farmers frequently fled to the towns. Economists say that such military actions brought food hardships because capital goods, those implements used in further production of food, were destroyed. Moreover, labor was frightened away from the necessary site of production.[8] Though farmers could easily return to the land when the danger had passed, the replacement of capital goods—draft animals and barn—especially in the medieval economy, was slow and painful. Consequently, agricultural production was badly hurt immediately and for decades to come.

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In the most recent centuries food shortages of various magnitudes have accompanied great wars. But in addition, the threat of famine has flourished in the economic turmoil produced by *modern internal revolutions*. Observing the French Revolution in 1791, Carlyle wrote: ". . . bread, always dear, is getting dearer."[9] Referring to the year 1793 in France another historian observed that: "The people were weary of being dragged from crisis to crisis. Industry was in ruins, famine menaced the cities."[10]

Those modern revolutions which are heirs to the French Revolution have produced similar effects on agriculture. For example, Mao's "Great Leap Forward" (1958-1960), a revolutionary effort to "purify" Chinese Communism and release it from the control of Soviet Communism, had a deleterious impact upon food provision. Chinese peasants were forced by the revolution to accept the commune system, relinquish their small private plots and take work assignments in nonagricultural production. As a result, there is reliable evidence that a famine of considerable size occurred in China in 1959. The Great Leap forward was actually a giant step backward for Chinese food production.

Unceasing revolutionary disruptions have caused food scarcity in many South American republics, in Asia, and most recently in Africa. The atmosphere necessary for dependable food production is *not* relentless revolutionary strife, bloodshed, burning and war, but peace, order and liberty for the individual producers.

Institutionalized Envy in Less Developed Countries

Among the causes of famine is one described by Eric Wolf as "institutionalized envy."[11] Such institutionalized envy exists in the tribal and village cultures of many of the less developed countries—envy nourished by social practice. Institutionalized envy's impact upon all forms of economic production can be grave indeed. Sociologist Wolf reported some years ago that in certain South American villages a farmer who raised crops superior to those of his neighbors would be the object of intense envy. Because he feared such social ostracism, he would make every effort not to "stand out" above the rest, that is, not to produce above the average.[12] Consequently, social attitudes helped to restrain the successful, innovative, or energetic agricultural producer. Similarly, another observer recently reports that Guatemalan Indians who manage to achieve high relative incomes often secrete their wealth because they fear the charge that they are becoming "Latins," that is, like the

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Spanish speaking, non-Indian population.[13] One does not know how many others eschew successful production or higher incomes in order to avoid the resentment of their fellow Indians.

Among Northern Rhodesian tribes, a prosperous person may be suspected of black magic. A good crop yield, for example, may be attributed to the fruitful farmer's evil use of a magical crow which it is alleged stole seed from the fields of neighbors and thereby produced a good crop for the high-yield farmer.[14] Though such an explanation is logically deficient by Western standards, natives will go to great ends to avoid such charges. Tribal and family claims can have a similar discouraging effect upon the productive.

S. Herbert Frankel tells the story of a hapless Ghanaian tribal chief whose abilities earned him a position in the offices of a European exporting firm. Whenever his relatives thought he had accumulated any savings they met him outside the bank to apply "the thumbscrews of family obligation."[15] Frankel says that in West Africa it was common for unscrupulous relatives to covet and demand the wealth and income of more productive family members, thus increasing the difficulty of saving and reducing the capital available for urgently needed agricultural investment.

Governmental Policies

Ill-considered governmental policies have increased the likelihood of famine. The imposition of price controls gives a common example. Economists agree that a shortage of a particular good can certainly be contrived by fixing the price of the commodity below what its normal market price would have been. When such a policy is followed, less of the commodity will be produced and more will be demanded. The resulting shortage will continue as long as the unwise governmental price control remains in effect. Quite understandably, price controls are often found in the midst of famine.

Consider the food crisis about which most Americans have knowledge, the famine during 1973 in the African region known as the Sahel. Western television beamed news reports about the food hardship in the six West African countries of Mauritania, Senegal, Mali, Upper Volta, Niger and Chad. A severe drought, it is true, helped to precipitate the mass famine. But here is the additional sad, irrational fact—the governments of the Sahel had followed the practice of keeping the prices of farm produce artificially depressed in order to keep food prices low for urban dwellers.[16] The abnormally low prices increased the dearth of food by making it uneconomical for food to be produced

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locally or imported except on illegal, cumbersome "black markets." Only the response of Western nations through relief agencies kept famine deaths as low as 100,000.

In like manner the government of India, the country which contains within its borders nearly one half of the world's food problem, has irrationally thwarted the progress of food production in that food-hungry land. The government has generally held farm prices for rice below market prices. As a result, the new high-yield varieties of rice have not been adopted as rapidly as was hoped for.[17]

Another governmental policy which inhibits food output is strict opposition by the state to the private ownership of property. Private ownership of personal and real property provides strong natural incentives to produce which cannot be duplicated by those economic systems which deny property rights. The food disasters of bygone centuries were made more intense and frequent by the hobbling effect on production of communal land ownership. The Soviets have had to live with the harmful effects of "collective ownership," namely, poor crop production on state farms, and at the same time, the embarrassing fact that disproportionately large amounts of farm produce are raised on the small, privately owned plots farmed by the peasantry in their "spare time." Less developed countries which embrace state operated agriculture as "the only way to insure food progress" will reap, *not* food, but a whirlwind of misery and death.

Saving and Hunger

Even in those less developed countries where political stability is maintained, where ownership rights are protected, and where there are no coveting social attitudes, the key to agricultural productivity will depend upon the steady accumulation of capital savings. This pool of savings—money capital—finances the creation of production-increasing capital goods, that is, tools, machinery and equipment. In the less developed world, where basic food demands are great, the capital goods made possible by existing savings are likely to take the form of farm equipment or storage barns. In turn, the use of these capital goods will make greater food production possible.

However, the accumulation of capital savings from the resources of native savers is a slow and painful process. When personal incomes are low, then saving is, at first, halting. Pre-industrial Britain is a case in point. There the slow internal formation of capital took place over a period of 150 years before more rapid growth occurred.

Developing countries in the 19th

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century (like the fledgling United States) did not have to rely alone upon the limited savings of *their own* citizens. The American commonwealth grew in part because foreign capital came to its shores. English and Scottish investors sank millions of dollars into agricultural ventures in the American West, for example. In 1883 there were 21 major British cattle companies in the West developing land, drainage and cattle raising. One, the Prairie Cattle Company ranged 100,000 cattle over 1 million acres—a capital investment of $2.5 million. Total Scottish investment in U.S. cattle at the same time is estimated at $25 million.[18]

Fortunately, today the people of less developed countries do not have to finance those capital improvements which would expand their food production out of their own meager savings. Capital is available for such purposes in Western capital markets. All that less developed countries need do to attract such savings is to demonstrate that they will be good hosts to foreign investors by maintaining a climate of safety for ventured savings. Unfortunately, as many times as not, the less developed countries have driven away foreign capital by their insistence upon expensive investment prerequisites and policies of seizure. As a result, three-fourths of U.S. foreign investment is made today in *already developed countries*—Canada, Europe, Japan and Australia—not in the less developed world.

False Explanations

Food hardships are fostered by political instability, destructive social attitudes, and governments that work against saving and production. Nevertheless, current "world opinion" does *not* encourage the people of poor nations to see the true folly of their own national policies and ways. Instead, the poor and hungry are urged to believe that it is the prosperous West which is to blame for their plight. The gigantic, continued success of American capitalism must be at the expense of the world's less fortunate, it is insinuated. According to anticapitalistic ideology, plenty for U.S. citizens is purchased by the poverty of Third World peoples.

None of these "exploitation theorists" understands very much about economic reality. But, they commonly make two charges that deserve analysis. First, they say that the colonialism and imperialism of the past gravely harmed the national economies of the underdeveloped world (including their ability to produce food) while at the same time bolstering the capitalistic West. Noted authorities on economic development disagree.

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Professor Peter T. Bauer says that although it cannot be shown conclusively that past colonial presence brought with it an increase in material well-being, ". . . it is highly probable that over the last century or so the establishment of colonial rule in Africa and Asia has promoted, and not retarded, material progress."[19] Continues Bauer, ". . . the colonial governments established law and order, safeguarded private property and contractual relations, organized basic transport and health services, and introduced some modern financial and legal institutions."[20] In addition, colonial rule opposed conditions that were inimical to material progress such as frequent "civil and tribal war and the prevalence of slavery."[21] Colonialism did confer certain enduring benefits upon the colonies.

In answer to the charge that the West could not have advanced except at ruinous costs to underdeveloped nations, Bauer firmly summarizes: "The prosperity of the West has been generated by *its own population* and not achieved at the expense of Africa or other underdeveloped countries."[22] Today economists are forced to admit that Britain and France obtained virtually nothing in net economic benefits from their colonial possessions. Empire was unprofitable to the imperialist.[23] Private French and British investors, as often as not, found better investment opportunities *outside* their nation's colonies rather than within them.[24] Portugal, which clung to its colonies for 400 years, longer than any other European nation, can only show for it the lowest per capita income in all of Europe.[25] Furthermore, if substantial "subservient colonies" are really a necessary ingredient for the success of Western capitalism, how can the extraordinary growth of the United States be explained?

True, America experienced a "brief moment of imperial fervor." But, the U.S. did not gain its limited "colonies" until the late 1890s at a point in time when it had *already* achieved a full century of remarkable economic development *without* colonial possessions. Moreover, how can such Western market-type economies—Canada, Australia, Switzerland, and Scandinavia—which have had no "colonies to exploit," and yet have prospered, be fit into the neat explanation that capitalistic economic progress depends upon regress elsewhere in the world? The formula which claims to demonstrate that the West fattens itself on the world's hunger is based upon a strained Marxist-Leninist ideology which is plainly refuted by reality.

The other indictment returned against the U.S. is that it is consuming too large a percentage of the

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Price Controls in France, 1789-1793

"The arguments in the convention relative to the matter ran the whole gamut from the principles of economic liberty advocated by the economists of the day to the radical abstractions of Robespierre and his followers, who swept commerce aside by maintaining that 'the food necessary to man is sacred as life itself,' and 'The fruits of the earth like the atmosphere belong to all men.'

"One of the most interesting of the many suggestions made in the convention was that of Barbaroux who advocated 'a plan to form local associations to collect and circulate information about the crops. In other words, for coercion he would substitute cooperation, believing that the French citizens, farmers and merchants included, would not turn a deaf ear to an appeal for common action against the oncoming peril' (famine). Price fixing finally became one of the characteristic features of the Reign of Terror, and when Robespierre and his councilors passed through the streets of Paris in the carts of the executioners the mob jeered saying, 'There goes the dirty maximum.' "

HENRY E. BOURNE, "Food Control and Price Fixing in Revolutionary France," *Journal of Political Economy,* February and March 1919

"world's grain supply." U.S. citizens today do consume per person as much as five times the grain (including grain fed to livestock) eaten by persons in *some* developing nations.[26] However, two things should be noted well. First, per capita grain use in the U.S. actually declined between 1909 and 1971 due, primarily, to the substitution of mechanical for animal power.[27] Second, far from being something ominous, the American's ability to partake of abundance is incontrovertible evidence that free, capital-equipped workers produce more and therefore can demand more of all goods, including grain products.

Some observers who are economically naive believe that all that is needed to assure the world of enough food is for Americans to cut their grain consumption drastically. Apparently, the hamburgers and hot dog buns forgone will somehow be transformed into more grain for the impoverished, world-wide. What these opponents of the current level of consumption fail to realize is that were such a curtailment in grain

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demand to occur, U.S. grain production (supply) would soon decrease as well. There is no convincing proof that the hungry in the rest of the world would be beneficiaries of such a reduction in U.S. consumer grain demand. What the poor countries of the world really need is *not* a lower standard of living for U.S. citizens, but a higher one for themselves.

Conclusion

Christianity teaches its adherents that Faith should be completed by works of charity. The hearts of those who have been blessed with the God-given gifts of orderly societies, of protection for legitimate economic undertakings, and of a social atmosphere where envy does not dominate, ought to respond to those who suffer, with corporate and individual giving. But, at the same time, the reasons for continuing food hardships ought to be proclaimed. For families world-wide could be receiving untold benefits which they, themselves, their ways, and their governments have made, as yet, unattainable.

—FOOTNOTES—

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[12]*Ibid.*, p. 47.
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[19]P. T. Bauer, *Dissent on Development* (Harvard University Press: Cambridge, 1972), p. 149.
[20]*Ibid.*
[21]Bauer, p. 149.
[22]Bauer, p. 169. (Italics added)
[23]Kenneth E. Boulding & T. Mukerjee, eds., *Economic Imperialism* (University of Michigan Press: Ann Arbor, 1972), p. xiii.
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Brian Summers

The Social Responsibility of Business

THE current debate over the social responsibility of business can perhaps be clarified by focusing on what *society* and *business* are—and what they are not.

Society is a collective concept designating a group of people. It is an abstraction, not an entity. Society has no body, no soul, no conscience, and no responsibilities. Only individuals have these attributes.

Business is also an abstraction, not a separate being. A business has no goals; businessmen have goals. A business has no responsibilities; businessmen have responsibilities. Instead of speaking of the "social responsibility of business," it is more accurate to speak of the "personal responsibilities of businessmen."

What, then, are the personal responsibilities of businessmen? It is almost presumptuous to even ask such a question, since no one has more than a vague idea of another person's responsibilities. However, we can make a few general comments pertaining to the businessman's status as an owner or as an employee.

We can say almost nothing about the responsibilities of an individual proprietor, except that he should pay his bills, live in a civilized manner, and obey the rules of common decency. Beyond that, what he does with his business is just that—his business, not ours.

It is somewhat different with corporate executives. Unlike a proprietor, an executive is not working with his own investment; he is working with the investments of the corporation's stockholders. Thus, he

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is responsible to the stockholders. If the stockholders tell him to use corporate funds to support education, hire the handicapped, establish youth centers, combat drug abuse, and aid community development, it is his responsibility to do so.

But if the stockholders tell him only to earn profits, that is his sole corporate responsibility. However, this does not completely preclude corporate involvement in community affairs. Company-sponsored community programs can improve worker morale, engender good will, and thus aid the executive in fulfilling his responsibility to the profit-seeking stockholders.

The executive is responsible for his stockholders' investments, both over the short term and the long term. Thus, he must ask if, over the long run, he is endangering their capital investments by sponsoring programs inimical to capitalism. He must ask whether, in the long run, it will pay to advertise in antibusiness media. And he must consider whether the corporation should support institutions that are working to preserve what is left of the capitalist system.

Such a program of limited corporate responsibility will fail to satisfy many critics of capitalism. Perhaps this is because they fail to understand the operation of the free market profit and loss system.

In a free market, profit seeking performs a vital social function. Businessmen cannot arbitrarily set asking prices; competition leaves them little choice but to charge whatever the market will bear. Thus, the prime source of profits is the efficient use of scarce factors of production—conservation. The businessman earns profits by using as little as possible to provide consumers with as much as possible. The more a businessman cuts his costs of production, the more factors of production he leaves for other people to use. And the more he strives for profits, the more he must ignore his prejudices and deal with people solely on the basis of what they can contribute to the business.

The profit-seeking businessman tries to give consumers the most for their money while making the most efficient possible use of scarce resources. What is irresponsible about that?

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Our Duties

Our duties towards ourselves and towards our social environment coincide. Indeed, there is only one duty, namely to grow mature.

FRITZ KUNKEL

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Ralph Bradford

THOSE MAYFLOWER ECOLOGISTS

THE SOUL of America was stirred to its depths in recent months by the awful implications of the world-shaking Snail Darter Case. Perhaps no event of recent times has provided at once such a severe testing of our composite character, and such a clear indication of our national destiny.

Recall the situation: A big dam, designed to impound certain waters for the dual purpose of flood control and water conservation, was stopped in its tracks, so to speak, when somebody discovered that, if completed, the dam's rising waters would seriously discommode a small colony of fishlets called Snail Darters.

Mr. Bradford, of Ocala, Florida, is well known as a writer, poet, speaker, and business organization consultant.

Nobody had ever heard of them except a handful of ichthyologists concerned with marine esoterica, but no matter. The reaction was prompt and fearless. No more convincing example could be found, I suppose, of our concern for the welfare and safety of minorities. It should make us take heart. Our concern is not alone for the whales, sharks and tuna, but for the smallest of nature's children!

The Snail Darters are about two inches long, and they exist in several types, or families. Those living in the area of the dam in question number, I believe it is estimated, at perhaps ten or fifteen thousand. The immediate problem was that these little creatures like shallow, active water; and the pressure and relative immobility of the impounded water

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might well be their undoing. Clearly, it was a tragic situation, a dramatic confrontation.

On the one hand, here were several thousand minnow-sized fish, about to have their native habitat radically changed and their lives imperiled, if not terminated. On the other hand, below the dam and for miles around there were a large number of human beings who had been led to believe that the dam would protect them from floods and furnish them with plenty of water for irrigation. Clearly there was a conflict of interest. Clearly also, no person of conscience and compassion would let the rights and needs and conveniences of men and women take precedence over the comfort and safety of a colony of fish, be they big or little. After all, the fish were here first!

Certain relevant observations may be made here. First, the Snail Darters are entitled to life, liberty and the pursuit of piscatorial happiness. What right has Man, in his quest for safety, and in his relentless chase after things material, to interfere with the schedule of life which the Snail Darters have established as their own? Clearly, these little fish have a prior claim on the sympathies of all reasonable and compassionate creatures.

However, one's indignation begins to lose pressure at this point, when one reflects that the same observation might be made with respect to another species. This one, indeed, is much better known than the Snail Darter was until recently. I mean those fascinating little invertebrates called Lumbricus Terrestris —namely, the Earth Worms. They too have been cruelly and shamefully treated. What right has a member of the human species to dig them up from their cozy moist burrows, impale them upon cruelly barbed hooks, and utilize their squirming death agonies for another ignoble and barbarous purpose—namely, to lure innocent fish to the fatal indignity of the torturing hook, and the slow suffocation of the waterless creel?

Questions of Propriety

It might also be noted that the Earthworms have another timely claim just now on our sympathy and understanding. You see, being hermaphrodites, they do not follow the normal patterns of sexuality—a life-conditioning that should win them great sympathy among those people who are now so militant about the "rights" of sex deviates. But that, after all, is an aside.

Apart from questions of moral and social propriety, there is also the question of what business the federal government has meddling in such matters in the first place—whether in the life pattern of worms and snail darters, or in the damming

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and artificial distribution of water. But I suppose only a human troglodyte, attached mentally to the Dark Ages, would raise such a point.

However, a nice incidental question might be injected, namely, what of the waters themselves? They are things of nature, wild and free, cascading from mountain heights to lower levels, and finding haven at last in the mothering bosoms of the Oceans. In the matter of freedom, let's be logical. What right does a government have to say to one sparkling stream, Go yonder in freedom, and to another, Stay here in sluggish damnation?

Fortunately, such questions occur less frequently these days than they might otherwise have done except for what was surely an act of preventive Providence. And that brings us to those Mayflower Ecologists, a small group of heroic souls that have been, alas, unknown and neglected.

Much has been made, of course, of the freedom-loving independence of the Mayflower passengers as a whole—how brave they were, and adventurous; how willing they were to work and starve and sacrifice in the name and for the sake of freedom. And this is altogether fitting and proper. It is especially gratify-

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ing, I may add, to those who can discover a patronym and possibly an ancestor among them. All glory to their memory!

But among them was the small group of seers that has been denied the credit and recognition it deserves. Indeed, their names are not even mentioned in the history books, which goes to show the ingratitude we often display toward our true benefactors, and our callous insensitivity to what they have done for us.

What Might Have Been

But the Snail Darter Case has helped correct this long-standing injustice. Sensitive souls realize at last how fortunate it is for us that among those Mayflower adventurers there was a small but militant and fearless group of ecologists and environmentalists. Their names will never be known, but without their influence, and that of their spiritual descendants, dire things might have happened to our country.

Take that headstrong Governor Clinton, for example, who proposed to dig a canal across New York State, from the Hudson River to Lake Erie. He had visions of long strings of barges, bearing freight and even passengers, and encouraging commerce and industry, not only in the Mohawk Valley but along the Lake shores. He had the quaint notion that it would, as the booster's phrase went, "open up the West." What nonsense! It would only have frightened the deer and disturbed wild life generally. Fortunately the project was killed in time, thanks to a devoted and fearless band of environmentalists who saw through the crass commercialism of the whole plan.

Then there was the crazy Welland scheme for a canal around, of all things, Niagara Falls. The theory was that freight could be carried by low-cost water transport, through locks around the Falls, without disturbing their beauty, and to the great benefit of economic and social development. There was more promotional nonsense of similar kind. Fortunately it was killed in time and the Falls were saved.

But of course society still had to deal with those silly people up at what was known as the Soo, with their zany idea of connecting Lakes Huron and Superior for ship travel, with alleged economic benefits to the Minnesota, Michigan and Wisconsin northwest areas, and indirectly to the whole national economy. That scheme, too, got nipped in the bud—an environmental and ecological triumph that was no doubt greeted with enthusiasm by the otters, and which probably prevented great by-pass inconvenience to the migratory Canadian geese.

Worst of all, perhaps, there was that fantastic scheme to connect the

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two great oceans by means of a canal across the Panamanian isthmus. How fortunate that the far-sighted ecologists were able to stop that one! Otherwise, there's no telling what might have happened. Such a vast ditch might have lowered the water tables of both continents, with disastrous effects upon the health and happiness of both muskrats and frogs. The toads might not have minded, being amphibians; but sheer disaster might have struck at sea, where the outflow of Pacific water might have altered the mating habits of the giant Galapagos turtles. This would have been tragic indeed.

So thank heaven for the Snail Darter Case, which served to bring these and some other matters into better perspective.

And thank heaven also for those unknown Mayflower ecologists and their sociological heirs!

IDEAS ON LIBERTY

Full Use of Potentialities

If the goal of mankind is to realize the potentialities of the species to the fullest, it becomes necessary to insure to all men the fullest possible personal freedom. Confining freedom of action to a few, in the totalitarian way, is simply unintelligent—not to mention its immorality; for such a limitation arbitrarily confines the quantity and quality of service to society which might otherwise be forthcoming.

John Stuart Mill put the case for personal freedom—and for the free enterprise system—in its ultimate form when he said: "The only constant and unfailing source of progress is liberty, for by it there are as many centers of improvement as there are individuals." Compulsion may force men to produce as much as their masters insist upon. I say "may," for it is doubtful that unfree men or slaves ever produce as much as their masters wish, even under the lash. But what is not doubtful at all is this: compulsion will not make men produce more and better things than the master themselves wish.

The theoretical maximum of production in an unfree society, therefore, is limited by the imagination of the few who are in control.

SYLVESTER PETRO, "Freedom and the Nature of Man"

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Sharon B. Mulwitz

Do You Believe in Freedom?

Do you believe in freedom? That question should be easy to answer. But it is a commitment that deserves some thought.

One aspect of freedom is the right of an individual to make choices—how he wants to live, spend his money, and the like. An integral part of this right of choice is the privilege and responsibility of accepting the results of that choice, taking the bad along with the good if we would retain the right to make decisions.

By using government aid as an "easy out" for problems that confront us, we encourage government to tax us to pay for its "helping hand." The government operates on *our* tax monies. What appears to be free is only an illusion. It comes immediately, or will eventually come, from your pocket and your neighbor's pocket. When you accept government's helping hand, you lose your freedom of choice as to the use of scarce and valuable resources. Money that you could have spent as you wished will become tax money over which you have no control.

When we accept government aid, we give up our decision-making power in another way. Government does not extend its "helping hand" without making certain regulations. As we become more and more dependent on this aid, we subject ourselves to more and more regulations. We can look around and see the results of this in our everyday lives. Note, for instance, the great number of state and federal regulations

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Mrs. Mulwitz, a housewife in Paris, Tennessee, here shares some of the ideas on liberty gleaned as a participant in a recent weekend seminar conducted by the Foundation for Economic Education.

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applicable in such heavily subsidized areas as schooling, housing, transportation, health care, and the like.

Another aspect of freedom is the right of each person to live his life as he sees fit. Most of us feel that we should be allowed to live as we please. But how often do we consider our neighbor's rights? All too often we defend our rights and work to pass laws that take away the rights of others. Our neighbor's lifestyle may be contrary to our own; but if we are to maintain a free society we must tolerate our differences. Too often we are tempted to stamp out any beliefs contrary to our own. Beware. Let us remember that others may be just as anxious to stamp out our beliefs. The only way to preserve freedom is to defend each person's right to his way of life.

Do you believe in freedom? Do you believe in freedom enough to make your own choices and take the responsibility for your deeds, and to allow your neighbor to do the same? Do you believe in freedom enough to defend a man's right to a lifestyle that you personally feel is wrong? Those who truly understand the dimensions of freedom will realize that none of us can be free if we do not allow our neighbor his freedom.

IDEAS ON LIBERTY

A Mutual Concept

FREEDOM is destroyed between two persons to whatever extent either one uses violence or the threat of violence to impose his will or viewpoint upon the other. Regardless of who is the aggressor and who is the victim—or whether the violence is legal or illegal—freedom is still infringed.

If you have rendered me helpless by throwing me to the ground and sitting on top of me, everyone understands clearly that my freedom has been severely curtailed. But what is not generally understood is that your freedom is also curtailed as long as you must spend your time and effort to hold me down. You thereby restrict your own progress and improvement just as you do mine.

Freedom is a *reciprocal* relationship based on *voluntary* agreements and actions. This applies in all human relationships, even though they are seldom as clear and dramatic as person-to-person violence. The only real possibility for complete freedom for yourself as an individual is for you to refrain from initiating violence or the threat of violence against anyone else. This is the vital first step toward a condition of mutual nonmolestation—a step that any one of us can take as soon as he is ready.

DEAN RUSSELL, "My Freedom Depends on Yours"

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World in the Grip of an Idea

Clarence B. Carson

23. The Cold War: Revolutionary vs. Evolutionary Socialism

The United States emerged from World War II as the pre-eminent military power in the world. That pre-eminence was symbolized by the development of the atomic bomb, two of which were dropped on Japanese cities inducing that country to surrender. The great world powers of the inter-war years had either been crushed or were very nearly impotent. Germany had been as absolutely defeated as possible. About all that remained to make the devastation complete would have been to sow the bombed-out cities with salt. Japan saved a shred of honor by being permitted to keep its emperor. The weakness of France had been decisively demonstrated by the Nazi conquest. Only the swaggering and boasting of Mussolini had made Italy appear to be a great power. Britain emerged victorious in the war but was shortly reduced to minor power potential by the nationalizing zeal of the Labour Party, China faced, as it had, incipient civil war and was hardly in position to play the role of a major power.

The Soviet Union, too, emerged

In this series, Dr. Carson examines the connection between ideology and the revolutions of our time and traces the impact on several major countries and the spread of the ideas and practices around the world.

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victorious in World War II. How that empire would rank as a military power is still a controverted question. The devastation wrought by the German armed forces on that country had been great. Stalin had so disrupted agriculture with his efforts at collectivization that production was far from adequate for the population. Forced industrialization had succeeded only in getting produced what the political powers considered most urgent. But the Soviet Union had something beyond ordinary military powers; its leaders had the will and know-how to use terror. Terror was used both in the subjection of the peoples of Eastern Europe and probably more extensively than ever the peoples within the Soviet Union. The combination of military power, terror, and deception made the Soviet Union a major power in effect.

At any rate, most of the powers that had been were no longer major powers. Western Europe was largely a power vacuum, as was the Far East. This had repercussions in many other parts of the world, for the former great powers had carved much of the rest of the world into spheres of interest and colonies. Many of these colonies broke away or were turned loose to fend for themselves. The British Empire hardly deserved the name any longer after a few years of Labour rule.

The United Nations was supposed to fill this power vacuum, or at least, to stand guard while old nations recovered and new nations took shape and emerged. It did not work out that way. Such authority as the United Nations had was vested in the Security Council. The permanent members had a veto power over any action, and the Soviet Union began quickly using this power to forestall unwanted action. This was especially disruptive because, as it turned out, the major threat to the peace was the Soviet Union and the international communist movement it spawned. Wherever they could, Soviet leaders fomented civil war to advance Communist Party takeovers anywhere the opportunity occurred.

Some Moments of Doubt

The world was not as clearly in the grip of an idea at the end of World War II as it has since become. The defeat of Nazism and Fascism discredited those particular varieties of revolutionary socialism. West Germany and Japan were not only freed from the control of totalitarian regimes but also given great impetus by the occupying forces to adopt institutions more in accord with freedom. It is true that the United Kingdom went headlong toward socialism for a few years after the war and that India's leaders were under the spell of socialism,

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but the course of many countries was unusually uncertain. The United States bent away somewhat from the collectivist path of the 1930s—not for long, no doubt, but enough to illustrate the possibilities.

Television had not yet taken hold as the shaper, molder, and decider of opinions. The sway of the intellectuals was still largely dependent upon the influence they could wield upon politicians. College education had not become so common a possession, and it is perhaps the single most important way that intellectuals fasten their ideas upon people. Intellectuals were still marginal in many lands, and the lines between ideologies rather more clearly drawn than in a later day. Many people still lived mainly by custom, tradition, and within the framework of family and religion, a much larger percentage, at any rate, than would so live thirty years later. It is difficult to grasp how drastic the changes have been, facilitated by technology and guided increasingly by ideologies.

It will be helpful to keep this in mind as we explore the impact of the Cold War. There was a time, at least for Americans, when the Cold War appeared to be simple enough and readily understood. The world was divided in two, or so we were told. One world was communist, and the other was free. The two worlds were engaged in an ongoing conflict which was not out-and-out war, but was not peaceful either. (The conflict was also often described as between communism and democracy.) The United Nations became the verbal battleground of this conflict, and nations were aligned there with one side or the other. Bench marks in the conflict were such events as Churchill's "Iron Curtain Speech" at Fulton, Missouri, military aid to Greece and Turkey, the revelations of Soviet atomic spies, the fall of China to the Communists, the North Atlantic Treaty Organization, and the Korean War, among others.

The Cold War Reinterpreted

What was once clear and distinct, however, has since become fuzzy and indistinct. What was called a Third World emerged in the late 1950s and in the 1960s, aligned with neither side. The Soviet Union and Communist China became embroiled in their own ideological conflict. Revisionist historians began to reinterpret the Cold War. The more radical of these declared that the conflict was all a product of American hysteria, that communism had not so much fomented it as been victimized by it. Communism, in this view, was a bugaboo invented by Americans so far as its aggressiveness and threat to world peace was concerned.

While such revisionist history is

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sorely out of touch with reality, it may at least open the way to revision that is needed. The nature of the conflict has indeed been misconstrued, perhaps not so much as it was originally represented to be but as it turned out. The tyrannical character of communism has rarely, if ever, been exaggerated. Nor would it be easy to overstate the imperial aims of Soviet Communism. An international conspiracy has existed as long as the Soviet Union, and there are several of them now. That this movement has engaged in subversion, espionage, and terrorism is well-established fact. Whether it has posed an immediate threat to the United States, or what the nature of the threat was and is, may be open to debate, although there is no conclusive answer available.

Most of the misconstruction of the Cold War, however, has been over the nature, character, and tendency of the opposition. That the opposition has been between communism, on the one hand, and freedom, on the other, is certainly doubtful. This is not to question that there are many who are opposed to communism or that there are those who stand for freedom. It is rather to question that they have generally been in control of or directed the actual conflict. The actual events of the Cold War come into much clearer focus when we conceive of it as a conflict between revolutionary and evolutionary socialism. This takes into account the actual tendencies in the so-called Free World as well as the thrust of developments within the Cold War.

Varied Opposition to Communism

There are undoubtedly many angles from which communism may be opposed. Indeed, they may be as numerous as have been the abuses of power and atrocities of communist rulers. Some have opposed communism because the rulers do not permit freedom of speech and of the press and suppress dissenters. Others, because there is no freedom of religion but rather religious persecution. Some find it objectionable that there is no freedom of migration, and they are apt to see the Berlin Wall as the symbol of what they oppose. The slave labor camps have been more than many people can stomach. There are even those who find most deplorable the prohibition of jazz and experimentation with the arts in general. The ubiquitous bureaucracy has its articulate opponents. There are those who focus mainly on the economic wrongs of communism: the confiscation of private property, the state planning, and the absence of the free market.

But all opposition to communism that amounts to anything can be reduced to two headings. One is what will here be called Metaphysi-

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cal Opposition to Communism, and the other Tactical Opposition to Communism. These can be employed in such a way as to subsume virtually every level and kind of opposition.

Metaphysical Opposition

The use of the term "metaphysical" may appear to be a poor choice of words. It is certainly the case that in the last century or so many have used the term as if it were synonymous with mystical, superstitious, something vague and imaginary, or evanescent. These are, however, misuses of a most valuable word for which there is no ready replacement. Metaphysics is the study of and refers to that underlying order in the universe which gives form and regularity to things and relationships. It is the source of natural law and normality in beings. If it is mystical it is so only in the sense that our sensual knowledge of this realm is indirect. Metaphysics is actually the foundation of precise knowledge. Without it, we are left only with a poor substitute—statistics—whose precision is achieved only by distortion.

It may be objected, however, either that my phrase does not take into account religious opposition to communism or that what I am really referring to when I call it metaphysical is religious. An explanation of the meaning of Metaphysical Opposition to Communism should make it clear that neither of these objections is valid. I mean that the opposition to communism is based upon fixed and immovable positions, on the belief that communism cannot and will not work, that it can only be tyrannical and destructive. Why? Because it requires the transformation of human nature, something that is fixed and immutable. Because it requires the abridgement of the natural order of things, something that has not occurred and so far as we know cannot and will not occur. Because it requires that individuals no longer pursue their self-interest, that they abandon what is essential to their survival. In brief, these things constitute the metaphysical opposition to communism.

More Philosophic than Religious

It should be clear that this is not a religious opposition to communism. It is a philosophic or, mayhap, scientific opposition. True, there is religious opposition to communism, and for good and sufficient reason. Communism is atheistic and committed to wiping out all independent theism. But when the religious opposition is examined carefully it will be discovered that so far as it is a fixed and immovable position it is based on a metaphysics-like position, namely, that God is the same yesterday, today, and tomorrow,

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that He has implanted in us our immutable human nature, and that He has ordained an order for things and for men. Take away the conception of God as Creator and man as Creature, with all that is implicit in this, and the religious opposition to communism tends to melt away. In short, the firmness of the religious opposition to communism has a metaphysic-like base. For any who might have difficulty accepting the above formulation, let me put the matter another way: Metaphysics provides sufficient ground for an unaltering opposition to communism.

It still may be objected, however, that there are those who are apparently immovably opposed to communism who know naught of metaphysics. This is an objection, fortunately, which involves only semantics. For example, there are those who oppose communism on the grounds that it is contrary to human nature. This position, and others like it (the economic arguments, for instance), are metaphysically founded, whether those who use them are aware of it or not. Ignorance of philosophic terminology does not alter in the least the philosophic base of a position.

Even so, it may be useful to broaden somewhat those that might be included among the metaphysical opponents of communism. There is a sense in which all who are inalterably committed to an opposition to communism—as, for example, those who would maintain that if it would work they still would not want it, for whatever reasons—are metaphysical opponents. It is permissible to use the word in this way, for by so doing we embrace all metaphysic-like positions, i.e., all that are firm, hard, rock-like, and underlyingly immovable.

Tactical Opposition

Tactical Opposition to Communism is of a quite different order. It is opposition to communism on the ground that one or more or many of its tactics or methods are wrong. (Those who oppose it on metaphysical grounds might be expected to find the tactics objectionable also, and they usually do. They may even make arguments against communism in terms of methods, but that is not the final ground of their opposition.) The position amounts to this: If communists would "clean up their act," they would be acceptable. If they would grant free speech, not persecute religion, provide due process of law, permit migration, allow opposing political parties, abolish slave labor camps, and so on, they would no longer be objectionable.

When they oppose communism, evolutionary or gradualist or democratic socialists are by the necessity of their position tactical opponents. Twentieth century liberals (who

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vary in the extent to which they are socialists) are also generally tactical opponents of communism when they oppose it. Communism-in-power has been a source of great embarrassment to other socialists. Indeed, it has been an embarrassment or much worse, to many communists as well. The violence, the terror, and the drastic action have raised doubts as to the validity of the socialist enterprise.

It is worthwhile to note that the most vociferous opposition of socialist intellectuals is class-like. They object most strenuously—indeed, many reserve their objections—to the persecution of intellectuals. Thus, Stalin's most heinous crime for many of them was the Purge of the late 1930s. Millions of peasants and Kulaks could be persecuted and die with never a whimper from Western intellectuals. But when a few thousand intellectuals came under the gun, many socialist intellectuals began to question Soviet Communism. The same play is still being enacted today, though the scene has changed. A few intellectual dissidents in the Soviet Union can bring the glare of publicity to bear on their persecutors, thanks to Western intellectuals, but the other persecution goes largely unnoticed.

However that may be, socialist opponents of communism have usually had to try to balance themselves on a razor's edge. On the one hand, they have opposed communism. In its own way some of this opposition has been real enough. That is, evolutionary socialists do believe, often enough, that the revolutionary way is the wrong way, that drastic measures are harmful and unnecessary. Moreover, they may be as opposed to Soviet or Chinese or Cuban Communist expansion as anyone else. In fact, evolutionary socialists may go to war against communists, albeit reluctantly and limitedly.

But the anti-communism of gradualists must always be restrained. It must stop short of being or becoming Metaphysical Opposition to Communism. If it should become metaphysical in character it would be tantamount to a repudiation of socialism. Another way to say it is to formulate it this way: Opposition to communism must not trace communist practice to the socialist idea—to the idea that has the world in its grip. Deplorable communist practice must be ascribed to an excess of revolutionary zeal, to evil men, such as Stalin (once he had passed from the scene), to persecution of communists and inhibition of their legitimate aims by others. It has been a most difficult task for evolutionary socialists to oppose communism, one that has frequently been made necessary by the communists but unpalatable at best. If communism would just become

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another political party, the difficulty would vanish, for evolutionary socialists could oppose it without any danger of the opposition becoming metaphysical. But that can only happen where communists have not come to power or have not consolidated their power.

The Opposition Performs a Double Reverse

One way that evolutionary socialists (which generally includes liberals in the United States) maintain their balance on the razor's edge is to focus their efforts on opposing anti-communism. Technically, they oppose communism, but this position can be made largely harmless by rigorous attention to the methods by which communism is to be opposed. The method that is generally proscribed in the United States and Western Europe is what goes by the name of McCarthyism (which takes its name from the late Senator Joseph McCarthy of Wisconsin). One dictionary defines McCarthyism as "1. public accusation of disloyalty, esp. of pro-Communist activity, in many instances unsupported by proof or based on slight, doubtful or irrelevant evidence. 2. unfairness in investigative technique. 3. persistent search for and exposure of disloyalty . . ." Indeed, "McCarthyism" is the unpardonable sin in the American liberal ranking of evils. It ranks alongside if not above "Red Scares" and "witch hunts" for communists.

Tactical Opposition to Communism turns into tactical opposition to anti-communism. The threat of communism is transmuted into the threat of anti-communism. This is an easy shift for evolutionary socialists to make, indeed, a shift difficult to avoid. The reason is that opposition to anti-communism has a metaphysical base or, if anyone prefers, an anti-metaphysical base. All socialism is premised on the possibility of transforming human nature. Metaphysics is the level at which this is found to be impossible. Hence, revolutionary and evolutionary socialists are at one at the metaphysical, or anti-metaphysical, level. They are irreconcilably opposed to metaphysical anti-communism.

I do not deduce this from the phenomenon of "McCarthyism," of course. It is deduced, so far as it is deduced, from the philosophical, or ideological, premises of socialism. But there is a great body of evidence which is explained by and supports this conclusion. When "McCarthyism" or a "Red Scare" is underway these occupy the center stage of tactical opposition. But once they have abated, then virtually any tactic by which communism might be opposed comes under fire. In the final analysis, all metaphysical or "hard core" opposition to com-

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munism is intolerable to socialists, though tactical opposition is permitted except by "hard core" communists.

Differences Not Understood

The depth of this division has not been generally admitted, if it has been understood. There are many practical reasons for not dramatizing or for not recognizing it. Evolutionary socialists cling to or at least profess many of the common values which derive from Western Civilization, such as representative government (which they tend to telescope into democracy), religious toleration, free speech and press, free elections, and so on. By their very evolutionary method they attempt to avoid arousing a metaphysical opposition to themselves. Anti-communists, too, have hoped to enlist them in a common cause against communism. Some anti-communists have portrayed social reformers and liberals as dupes of communists, as taken in by them. (Indeed, this was the general view of the matter as held by anti-communists in the 1950s.) They may have been, indeed may be, but if the above analysis is correct the affinity between them is not something skin deep as such a construction implied.

In any case, it is what has happened when common cause against communism has been made by metaphysical opponents and tactical opponents. The contest has been called the Cold War. The main contest has been between the United States and its allies on the one hand and the Soviet Union and its allies and satellites on the other. Communist China was formally excluded from the Cold War most of the time but was nonetheless a subordinate part of it. The contest was carried on in many ways—by diplomacy, by propaganda, by subversion and espionage, and in actual wars—but the examination of it here will be restricted to three levels: war, foreign aid, and espionage.

No Chance for Alliance

If the preceding analysis is correct, it is unlikely that evolutionary socialists and metaphysical anti-communists could make common cause against communism. They cannot effectively wage war, either hot or cold, against communism. They cannot, that is, if evolutionary socialists are to maintain their balance on the razor's edge. To wage war effectively the enemy must be clearly identified, support for the war must be mustered, and force brought to bear sufficient to overcome the enemy. It is not possible to do this from a razor's edge; it requires a broad base rather than a tenuous position.

It may well be that the animus behind the Cold War came from

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metaphysical anti-communism. The provocation came from the communists, of course. But the Cold War strategy was largely shaped by Democratic Presidents. Between 1933 and 1969 there was only one Republican President—Eisenhower. Nixon worked vigorously to defuse the Cold War, so he was not an architect of it, not as President anyway. The main outlines of the Cold War were shaped by President Truman. Eisenhower and Dulles continued it, as did Kennedy and Johnson.

It is significant in the context that Democrats were the main strategists. The Democratic Party has been by far the more deeply infected of the two major parties by evolutionary socialism. Liberal intellectuals have had their greatest influence within the Democratic Party, though they have exercised considerable influence on Republicans as well. The domestic programs of the Democrats since 1913 have been in the direction of centralizing power in the federal government, manipulating the money supply, regulating and controlling business, managing the economy and redistributing the wealth. True, they have only limitedly pushed for government ownership and have taken the route of control instead. But that has come increasingly to be the method of evolutionary socialism for the past several decades.

Democrats have tended to get the United States embroiled and entangled in international affairs in the twentieth century. Beyond that, they have tended to get us into wars. There is no particular mystery as to how this should be explained. Democrats have been enamored with the use of government power. Whatever they have been confronted with, they have inclined to the view that the solution lay in the exercise of political power. In international relations, this tends to lead to war or to involvement in whatever conflicts are taking place.

Hot Spots in the Cold War

Twice during the Cold War, the United States became extensively involved in an armed conflict: first in Korea and then in Vietnam. President Truman gave the order which brought Americans into combat in Korea. President Kennedy got the United States armed forces increasingly embroiled in Vietnam, and President Johnson made the war primarily an American responsibility.

The main point here is the kind of wars these became, not whether American involvement was justified or who was to blame for them. In both cases, they were what came to be called limited wars. Under General Douglas MacArthur's command, American forces, along with such allies as they had, mainly

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South Koreans, were close to overrunning and defeating the North Korean army. At that juncture the Communist Chinese intervened with massive ground forces. MacArthur proposed the bombings of the Chinese access, but he was refused permission to do so. When he persisted by criticizing the policy behind the scenes, he was relieved of his command. The war zone was restricted to Korea, and the war was eventually ended without a decision having been reached.

In Vietnam, no American military commander attempted to win the war by invading North Vietnam. Even the bombing of North Vietnam was restricted, and major ports were not shelled by sea. The justification of the conflict, where any was given, was so narrow and subtle, with infinite attention given to subtle niceties, that Americans were confused and baffled by the whole affair.

After MacArthur's dismissal, no grand strategy was devised to achieve victory at arms. None was ever inaugurated in Vietnam. The justification offered was that the war might be vastly expanded by any aggressive action. Actually, this might have been a sound argument for never becoming involved in the conflicts at all. After all, it was certainly possible to foresee that China might intervene in Korea. North Vietnamese intervention in South Vietnam was a fact, and Chinese or Russian intervention a distinct possibility from the outset. What the enemy might do is hardly ever a foregone conclusion.

Why a No-Win Policy?

The deliberate limitation of these wars needs a better explanation than those that were offered. The framework has been supplied for a better explanation. It is this. Evolutionary socialism must prevent, even at very high cost, the opposition to communism from becoming metaphysical. Any all-out war—any war to be fought through to victory—will become metaphysic-like because of the ideological character of the conflict. Once the general opposition to communism becomes metaphysical, all of socialism is likely to be indicted. Undoubtedly, the motives that inhibited American leaders were complex. What persuaded any one of them to the limited war concept cannot, of course, be known. But that an extensive apology for limited warfare was prepared and disseminated by American intellectuals, aided and abetted by their counterparts in other lands, cannot be doubted. That these same intellectuals have bent their energies over the years to forestall the arising of an articulate metaphysical anti-communism can be demonstrated *ad nauseam.*

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Intellectuals have worked diligently over the years to turn the Cold War into an internecine conflict between revolutionary and evolutionary socialism. A concerted effort was made to do that in Vietnam. They kept up a continual clamor over the alleged undemocratic character of the government of South Vietnam. Similar, though not as vociferous, charges were leveled at the South Korean government. That many South Vietnamese continued to pursue their individual self-interest economically was considered shameful by these intellectuals. Efforts were made to turn the American army into a combination of Red Cross and Little Sisters of the Poor. They were set to the task of rebuilding Vietnamese villages, tending the sick, and feeding the hungry. Only if evolutionary socialism (usually described as democracy) could demonstrate its superiority to the claims of communism (revolutionary socialism) would the American involvement be justified, presumably.

A Smoke-Screen for Communism

My purpose in discussing these matters is to describe the role that the Cold War has played in spreading the idea and fastening its grip upon the world. The initiative belongs to international communism. Communist lands are generally closed to foreigners except on a limited and supervised basis. Massive efforts have been made over the years to shield the rest of the world from the reality of communism. In effect, the attempt has been made to have communism known only as an ideal system. This ideal is spread around the world by whatever propaganda outlets communist powers have. The reality in other lands is measured against the communist ideal, to its detriment, as a rule.

Evolutionary socialists tend to take these criticisms seriously as, in a sense, they must. They are, after all, of a competing brand of socialism and must constantly demonstrate the superiority of their way. Hence, communist pressure is turned into a necessity for pushing socialist measures by the other camp. In short, anti-communism becomes pro-socialism at the hands of evolutionary socialists.

This was nowhere better illustrated than in the foreign aid programs. When the foreign aid programs got under way under President Truman they were billed as an effort to stop or contain Soviet expansion. As such, military aid had top priority. Very soon, other kinds of aid became increasingly important. It became, in the course of time, a major international device for propping up socialist regimes in many lands. Actually, the above chronology is not quite correct. Some foreign aid programs propped

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up floundering socialist regimes from the beginning. In England, the Labour Government was in deep trouble by 1947, within two years of its installation, and was appealing, with success, to Washington for aid. The European Recovery Program was from the outset a venture in promoting collective efforts among nations. But foreign aid must be given closer examination later on.

The Points Summarized

The points here are rather general ones. They are:

1. That the Cold War, whatever its origins, was turned into a contest between evolutionary and revolutionary socialism.

2. The conflict between these two varieties of socialism is over means not ends.

3. To prevent their common end from becoming apparent, as well as the probability that they would not ultimately differ much from one another, the whole attention must be focused upon methods.

4. The common cause between Metaphysical Opponents of Communism and Tactical Opponents could not and did not survive the trial by fire. Truman's conduct of the Korean War disenchanted those who deeply opposed communism. Foreign aid was subjected to withering criticism over the years by both sides. American intelligence and security agencies have now been subjected to such exposure and curtailment that it is doubtful they can perform any function successfully.

5. In the conflict between evolutionary and revolutionary socialism, evolutionary socialists advance their own variety of socialism.

6. Communists are thus enabled by their criticism to push toward more and more socialist policies in the world. In brief, the Cold War provided the occasion for the spreading of socialist ideas, even though it was supposed to contain communism.

This is the general framework from which the Cold War is to be viewed. It serves as a transition, too, from the more detailed examination of the application of the idea in a few countries to its general spread to countries around the world. It has been spread both by international communism and from country to country as socialism, liberalism, the welfare state, social democracy, or whatever. First, we will deal with the spread of communism.

Next: 24. *The Cold War: The Spread of Communism.*

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Timothy Eshleman

LABOR IN A FREE SOCIETY

LIFE is full of desires and wants. From birth until death one strives to satisfy many needs and desires. Labor is the process by which a worker obtains the goods and services needed for survival and desired for enjoyment.

In a free society, an individual is free to labor as he wishes. The essence of the free society is to "leave everybody totally free to act creatively as he pleases, to let anyone and everyone exchange their goods and services with whomever they choose on whatever terms can be mutually agreed upon, to let the fruits of one's labor be one's own, and to limit government—society's agent of force—to the protection of everyone equally in these freedoms."[1]

As a worker is free to labor according to his talents and wishes, his interests and those of others are advanced. Who in society—the individual or the state—can better determine what is in the best interest of a worker? Naturally, each individual alone can determine what his best interests are and should be free to act accordingly.

A worker, free from restraints against his productive energies, may develop new skills. One person's ability may make possible for him accomplishments not equally attainable by others. Each person may develop an area of expertise or specialization for which he is best suited.

The division of labor, resulting from expertise and specialization,

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requires cooperation and joint effort on many tasks. The cooperative action of those with varying proficiencies is more efficient and productive than the isolated action of self-sufficient individuals. Just as a myriad of tasks to be performed exists, there are workers with varying skills to perform them.

Furthermore, the division of labor makes possible technological improvement. As the division of labor becomes more advanced, observant and inventive men notice that certain identical, repetitive tasks may be performed by precision machines. Such machines allow these tasks to be completed more effectively and efficiently.

Everyone, in an unhampered market economy, is free to accept the best opportunity available. One seeking work may choose the job which provides the best return for the services he offers. A prospective employer may choose those workers who offer the best services for the wages he has to pay.

What a worker receives for his labor will be determined by what others are willing to exchange for it. Competition among workers ensures that no one is paid too much, while competition among employers makes sure that no one is paid too little.

Exploitation of one individual by another, in a free system, is impossible. No person or group could monopolize any activity so long as there is freedom for all to enter the market. Where there is free entry there is competition and this competition, among both those who demand labor and those who supply labor, would make exploitation impossible.

However, should an individual or group be granted legal monopolistic powers in the labor market, coercion and exploitation would then be possible. If the suppliers of labor—the workers—are granted monopolistic power, i.e., through labor unions, they would be in a position to command benefits greater than those they would receive in free exchange. If the demanders of labor—employers—obtain monopolistic power then the workers could be exploited.

In a free society, involuntary unemployment is inconceivable. There is always more work to be done than workers are able to do. Full employment occurs when an employer is able to exchange the wage he has available to pay for the services offered by a worker. The terms must be mutually beneficial or no deal will be made. If no deal is made, unemployment will result; but this is voluntary unemployment in that one party has chosen not to accept the other's offer.

However, when the market is not permitted to function freely, unemployment must result. "Unemployment is a phenomenon of the

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partially rigged market."[2] As governments and unions interfere with the market, artificially raising the cost of labor higher than the price normally set by the market, i.e., higher than employers are able to pay, fewer workers will be hired, even though their services are still needed.

Even when technological advance makes possible increased production with less labor, workers will not be left idle. While initially displacing some workers, technology reduces the cost of goods. With their increased spending power, resulting from lower costs, consumers may demand other commodities which, previously, they had been unable to afford. The displaced workers, after readjustment, may find employment in the production of goods the demand for which has now expanded. The free economy provides work for all who want to work while providing a greater supply of goods and services.

But for this to occur, labor mobility is needed. If pressure groups or the state restricts workers' freedom of entry into labor markets, unemployment must again result. The workers displaced by technology are prohibited from entering new areas of work.

For the free society to endure, all individuals must be free to labor as they choose. All must be at liberty to creatively explore and perfect their abilities. Only as men are permitted to labor freely may they realize their greatest potentialities.

—FOOTNOTES—

[1]Leonard E. Read, *Let Freedom Reign* (Irvington-on-Hudson: The Foundation for Economic Education, Inc., 1969), p. 46.

[2]Leonard E. Read, *Government—An Ideal Concept* (Irvington-on-Hudson: The Foundation for Economic Education, Inc. 1954), p. 78.

IDEAS ON LIBERTY

Jobs for All

By forcing some wages above free market rates, some unions now get higher wages for their members than such workers would receive in a free society. But these forced higher wages for some mean that others must accept lower wages or unemployment (unless the government resorts to inflation). These lower wages and unemployment (as well as this pressure for inflation) would disappear if every man, including the unemployed, were free to compete for every job. As long as some of men's wants remain unsatisfied, there will be enough jobs to go around.

PERCY L. GREAVES, JR.

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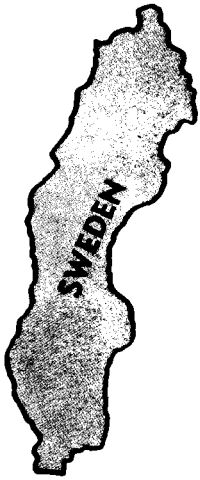
Sven Rydenfelt



The Rise and Decline of a Welfare State

THE economic trials of recent years, according to a growing number of competent commentators, have nothing to do either with business cycles or structural long range changes. The sickness of the seventies is much more severe and goes to the roots of our industrial civilization—the market economy. In many western countries markets presently are in ruin.

All of us apprehend that the unprecedented wealth and living standard we enjoy is a product of the industrial system. But not so many are aware that the prime mover of this system in the western world has been the market economy in an air of freedom—a system now threatened by suffocation for lack of freedom.

As a matter of fact, we are living on fortunes inherited from the past, consuming a heritage created and built by free enterprise and free entrepreneurs. Unless we fundamentally change the economic policies that have brought us into the present situation, we cannot hope for relief.

The Road to the Welfare State

Since the 1930s—see the famous book *Sweden the Middle Way* by Marquis Childs in 1936—Sweden has been the leading country on the road to the welfare state. It is a road sloping downhill, and once the wagon had started, you could not prevent it from rolling on faster and

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faster. In Sweden, government successively has taken over more and more of the responsibilities for the citizens' life and welfare from the cradle to the grave. And welfare is like a drug—greater and greater doses are needed. The pressure for greater doses has been so strong that no government so far has been able to resist.

But welfare is expensive and has to be paid for. So taxes had to be raised all the time. In 1960 taxes in Sweden took 30 percent of GNP, a share that in 1977 had increased to 53 percent.

Generous minimum standards of living, guaranteed to the citizens by the State, mean that a great many Swedes in the lower income brackets enjoy the same standard whether they earn a living or not. As a matter of fact, most Swedes are getting social allowances of different kinds, tested according to needs. Such allowances combined with the highest tax rates of the world mean that, after an income rise, you will be hit not only by extremely high marginal tax rates but by losses of social benefits, too. Most Swedes are virtually allowed to dispose of no more than 5 to 10 percent of an income rise, which means that incentives for working overtime or working hard to get promoted are very weak.

Sweden, as a matter of fact, is halfway socialized. But as all political parties have backed the "nationalizations," they never use the word "socialize." Very important sectors such as education and medical care are nearly totally socialized, as is the postal service, telegraph, railway and air communications and public utilities in local communities.

The Swedish State Church means that a major part of religious service is socialized with the staff wholly integrated into the ordinary bureaucracy. The buildings are imposing but attendance extremely low.

Sweden Hard Hit

A few years ago only 5 percent of manufacturing industry was "nationalized," but because of the crisis and threatening bankruptcies a lot of big enterprises—shipyards, steel mills and textile factories—have been socialized in late years. The present share may be about 10 percent.

But this low figure is highly deceptive. Actually, there is no free enterprise in Sweden at present. And as for private enterprise, its freedom area is so restricted by governmental regulations that in practice it is half socialized. Liberties and incentives for private entrepreneurs are in short supply.

Sweden by wide margin holds the position as the number one welfare state of the world. And among all developed industrial countries it was most severely struck by the

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present economic crisis. This is not mere coincidence, as we shall see.

Since 1974 production in manufacturing industry has been declining. Housing construction since 1970 has been halved, while cement consumption in the same period shrank 40 percent. The 550 biggest Swedish companies reported average profits declining from 8 percent in 1974, 5 percent in 1975, 2 percent in 1976 to 0 in 1977. And in a country with 30 percent of the labor force in public sectors (where GNP is calculated from expenditures, not from revenues) GNP in 1977 fell 2.5 percent. And while 7 percent of the merchant marines of the world in 1977 were idle, the Swedish figure was 27 percent idle. If Swedish production figures since 1974 have been extremely low, inflation figures, on the contrary, have been extremely high (1977 = 14%).

If Sweden was most severely struck by the economic crisis, other countries did not escape their fate, either. Many people were puzzled by the simultaneous emergence of troubles in different countries, but this widespread occurrence is of central significance for the analysis.

According to most competent judges the trials of the seventies are effects—primary and secondary—from governmental policies. And as similar and simultaneous causes will produce similar and simultaneous effects, the simultaneous emergence of troubles in different countries may, most easily, be explained as effects of similar governmental policies. As a matter of fact, the same thing was true in the depression years of the 1930s. And there certainly are conspicuous similarities in economic policies of different countries in the same periods, rather independent of the political color of the governments. Imitation and fashion behavior are to be found not only in garments but in policies, too.

Free enterprise is a system strong enough to endure certain amounts of bad treatment—State restrictions and regulations. But there are boundaries you cannot cross without severe consequences. In the 1970s many industrial countries have, obviously, passed beyond these limits, with adverse repercussions. And Sweden as the most advanced explorer of welfare territories, also suffered the worst repercussions.

Creative Powers of Entrepreneurs

In the economic world everything is started and kept going by individuals. And as machines are kept going by fuels, human beings are kept going by incentives. The strength of the incentives decides the performance.

In all business the entrepreneurs are key persons. Their skills and talents determine the success or the failure of the enterprise. And high

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qualities as leaders of production and personnel do not suffice. More important are ideas and imagination, capabilities of developing new and better products and methods. Above all, an entrepreneur must be creative.

No outstanding creative work can be done without freedom. Therefore, all restrictions, all commandments and guidances, all fetters and chains, check and impede creations.

In all countries under political dictatorship the freedom of the creators is strictly limited, and not only in arts and literature. For that reason, extremely few real innovations have been born in the Soviet Union since 1917. Almost everything in science and technology has been imported and copied from the West.

Like all creators, entrepreneurs need freedom. If they are given freedom—in societies with law, order, and infrastructures—they will start and develop enterprises with miraculous growth potentials. Under such conditions of economic freedom in the era of the industrial revolution, a fantastic development started in England in the 18th century. There were the miracle periods of West Germany and Japan after World War II, and the two "golden" decades (1950-1970) in other western industrial countries after the postwar "disarmament" of central regulations. Also notable in recent decades are such enclaves of economic freedom (not always political!) as South Korea, Taiwan, Hongkong and Singapore.

Periods of economic freedom—economic miracle periods—always were lucid intervals in history, periods of relatively short duration. Sooner or later a system of State regulations was built that checked and impeded development.

In the 1970s began a new era of uninhibited governmental intervention, restricting entrepreneurial freedom. And those in power could exploit all the potentials of Big Government armed with modern communications, electronics, and computers.

According to a Swedish study (by Professor Kurt Samuelsson in 1975) the number of new laws regulating industry and working life was greater during the 5 years from 1970 to 1975 than during the 85 years preceding 1970.

In 1973 Sweden got 80 new laws threatening entrepreneurs with jail or fines. In 1974 the number was 127 and in 1975 no less than 180. An interesting coincidence was observed in this context—as the production of new laws accelerated, production of commodities and employment decelerated proportionally.

This flood of economic regulations meant that the freedom of entrepreneurs was restricted more drasti-

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cally than it had been since pre-industrial times. The entrepreneurs are treated by their new political masters not like free men, but more like slaves. Thus are more and more entrepreneurs so disheartened and discouraged that they lose fighting spirit, capitulate, and leave their positions prematurely.

Wage Earners and Consumers in Power

Kings and emperors in power are seldom willing to accept the results of free markets. When universal suffrage transmits political power to the great majorities of wage earners and consumers, they also reject the market.

All citizens are consumers and hate price rises on food, housing, and the like. One cannot reasonably expect them to abstain from using the powerful State regulation apparatus at their disposal. The result is governmental price regulations—price controls, rent controls, currency controls, and so on.

Adult citizens are voters, too, most of them forming strong pressure groups, demanding social benefits and—in times of crises—extensive relief actions from government. And as few governments are able to resist such demands, State budgets are bound to be deficit budgets. The Swedish deficit in 1977 was no less than 20 percent of budget (almost 10 percent of GNP). Big deficits mean big inflation, and the result in Sweden in 1977 was a price increase of 14 percent.

Most adult citizens want jobs. A job means not only income but social respectability, too. Especially in slowdown periods with few job opportunities, the bankruptcy of a firm often means severe hardships for the employees. In that case, employees of the firm (including representatives of their unions and their local governments) will form very strong pressure groups, desperately demanding relief actions. Very few governments are able to resist such demands for State subsidies. Often very large amounts are required.

In all market transactions two parties, seller and buyer, are involved. In free markets there is a power balance between the parties. Neither party is able to force upon the other conditions he is not willing to accept voluntarily. All transactions occur as the result of free bargaining. The central quality of a free market is the absence of coercion—non-violence.

But as soon as one of the parties in a market is able to use the powerful State apparatus (with laws, courts, prisons, policemen, soldiers, executioners) the balance of power is distorted. The party disposing of the apparatus is always able to force upon the other party conditions the latter would not accept voluntarily.

So it is that wage earners and

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consumers, by means of price controls, rent controls, currency controls, extensive state subsidies and high taxes, are busy undermining the foundations of free markets. The prime movers of free markets, the entrepreneurs have been neutralized in strait jackets, woven from hundreds of governmental regulations.

The Penalties for Oppression Must Be Paid

Those in power have fulfilled this "murder of the market" with good conscience, firmly convinced of the soundness and righteousness of their policy, as has always been the case of those in power.

But oppression and exploitation hurt not only the oppressed and exploited but the oppressors and exploiters as well. So one of the most fundamental ethical laws of history may be formulated: The penalties for such crimes have to be paid.

There was a time in history when entrepreneurs and "capitalists" used the State apparatus to oppress and exploit wage earners and consumers. Adam Smith and Karl Marx, among others, rightly criticized this exploitation. Now the power pendulum has swung from the one extreme to the other. But no matter who is the exploiter or the exploited, exploitation always works like a poison on the productive powers of a society.

In Sweden production has been falling since 1974. In spite of enormous borrowing from abroad (50 billion Swedish crowns 1975-1977) the living standard could not be prevented from falling in 1977, and it must continue to fall as long as this paralyzing policy is continued.

What about job security and the power of the wage earners, these "rights" extorted from entrepreneurs and guaranteed by State laws? The answer must be: These securities and powers are built on illusions. The more of these laws we have, the worse for the wage earners, because such exploitation of the entrepreneurs checks and impedes production. The result is a society with much unemployment and job opportunities in short supply. In such a society no government can guarantee living standards, real wages or employment.

The truth is that securities and powers of wage earners nowhere are greater than in a free market with high-speed production, full employment and labor in short supply. In the highly competitive labor market—the sellers' market—there are lots of chances and choices for the job seekers. In such a market the wage earners have the trumps. In such a market only the more efficient and generous employers can get the manpower they need. Other employers soon have no personnel—and no enterprises.

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Secondary Effects of State Subsidies

In slowdown periods with job opportunities in short supply, the bankruptcy of a firm most often means severe hardships for the employees. Because of the economic crisis, the Swedish Government in 1977 was pressed to pay more than 30 billion Swedish crowns to a number of threatened big companies, including 14 billion to the shipbuilding industry. At the same time the government acted to nationalize major parts of the shipbuilding and the steel industries and a minor part of the textile industry, on grounds that the relief sums were so enormous they could not reasonably be given to private concerns.

The shipyards were among the first plants severely hit by the crisis. Many of these plants obviously were superfluous and had to be closed. But which plants?

In a free enterprise system the market would have passed sentence. The high-cost plants would have been doomed, and so the survival of the fittest would have been guaranteed.

But the pressure from employees and communities was so desperate that governmental resources were mobilized, subsidies paid and the threatened plants saved. Soon all orders had been filled; yet production went on. Ships that nobody wanted or needed were built, ships to be stockpiled at anchor in sheltered bays and fiords. Still, the competition for new orders grew more and more desperate. As Government paid the losses, prices far below costs were accepted.

The biggest Swedish shipyard, the Kockums in Malmö, from the beginning had a much stronger position than the big yards in Gothenburg—a result of good management—and therefore proudly refused the subsidies. But eventually they too were obliged to accept prices below costs to obtain new orders.

But no private enterprise can exist for more than short intervals under such circumstances; sooner or later it must capitulate. And so, in the last months of 1977, even the Kockums had to surrender and accept governmental relief.

Governmental subsidies start chain reactions, distorting the competitive balance and undermining even well-managed and sound enterprises. Subsidies, like drugs, remove pains for the moment but with severe secondary effects upon the body. In recent years, for instance, the Swedish Government has paid 30 percent of the prices of new ships built in Sweden. The Norwegian Government, however, refused to grant import licenses for those ships, as such subsidizing according to OECD rules meant dumping. Shipping companies buying new ships at prices far below costs—and

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far below earlier price levels—of course were able to underbid companies that had bought their fleet in earlier periods. Because of such underbidding, freight rates in 1978 often cover no more than one third of total costs in old established companies. In Sweden the biggest shipping companies—the Broströms and the Salëns—as a consequence went bankrupt and had to be saved by Government.

As a matter of fact, lots of enterprises in Sweden—and in other countries, too—are kept going by means of State subsidies. And thanks to the subsidies they can sell and do sell below production costs, which means dumping. And while dumping transactions formerly were exceptions, they have become more and more the rule.

Governments cannot ignore this development. If they don't protect domestic enterprises against such unfair practices, numerous efficient and sound firms will be ruined and have to close. One may deplore this development, this "new mercantilism," but should recognize that dumping—and protectionism—is nothing but the last link of a chain, the inevitable secondary effect of extensive State subsidies.

It is important to distinguish between firms that are able to compete with low prices because of State subsidies (dumping) and firms that are able to compete with low prices because of efficiency and low costs. In recent years countries like South Korea, Taiwan, Hongkong and Singapore have often—because of their competitive powers—been charged with dumping. But such charges were mostly unjustified. Their competitive prices were, more probably, the natural outcome of a highly efficient free enterprise production system.

The Tide is Turning as Freedom Wanes

In the last decades of the 18th century when economic freedom released powers that started the industrial revolution, the tide was turning. Since then in the western world we have been living in a market economy, capable of producing higher and higher living standards. And we have been so integrated into this system that we take it for granted and look upon it as natural and normal.

But from a historical perspective all such happy periods are lucid intervals of limited duration. To all appearances we are now in the last stage of such an interval. Once more the tide is turning—the market economy threatened by suffocation for the lack of freedom. ⊕

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RADICAL CAPITALISM

THE anarchists and the anarcho-capitalists have a seductive position. Who would not wish to be free of government? You pay your income tax, and the next day you read in the papers that the Department of Health, Education and Welfare has kicked away $7 billion in fraud and waste. The fines levied by your town dog warden for your straying animal are on a progressively incremental basis—and in vain you plead that if your dog can't run free the woodchucks eat up both your own and your neighbors' gardens. When it comes to taxes and often niggling coercion you get it from both ends of the scale, whether federal or local.

Since the State is so incompetent and so oppressive in many ways, there should be a built-in audience for David Friedman's *The Machinery of Freedom: Guide to a Radical Capitalism* (Arlington House, 165 Huguenot St., New Rochelle, N.Y. 10801, 240 pages, $10.00). This is an enlarged version of an earlier work by Mr. Friedman, and not all of its statistics have been brought up to date. Its information about the expansion of the libertarian movement, however, is current, and the arguments presented by Mr. Friedman for his case mesh with the lively material that is now being presented month by month by a dozen or so new libertarian publications. We have reached a point where Mr. Friedman can call *The Freeman* "an old-line conservative-libertarian magazine," which can be taken, not as a put-down, but as a tribute to a pioneer who is suddenly surrounded by a host of new settlers.

Mr. Friedman, who happens to be the son of Milton Friedman, would presumably call himself a radical libertarian rather than a conservative. His "radical capitalism" would bring practically everything—schools, roads, the police, firemen—into the scope of free market opera-

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tions. A conservative libertarian (such as myself) would go along with him on the subject of schools. The conservative libertarian can follow Mr. Friedman absolutely on the desirability of ending the government first-class mail monopoly. Mr. Friedman's plans for higher education—"Adam Smith University"—include a provision to let students pay the professors directly. The success of the Berlitz schools in teaching languages would argue that the direct payment for a marketable pedagogic commodity is feasible.

As for free immigration I can only say that I follow Mr. Friedman in my failure to worry about Mexican wetbacks who come to California and Texas to take jobs which nobody else wants to do. My only objection to opening the old Ellis Island gates indiscriminately relates to the idea, now enshrined in New York law, that the welfare rolls must be open to every indigent on an immediate basis. Mr. Friedman would take care of this by denying automatic welfare to any immigrant for fifteen years. He would also exempt immigrants from minimum wage requirement—or, even better, repeal the minimum wage outright.

Courts and Police

It is when Mr. Friedman suggests that our police, our courts and the law itself can be turned over to the marketplace that he begins to get on marshy ground. It is possible, as he says, for two contracting parties to provide for arbitration when they draw up contracts. The justice coming from private arbitration can be swift by comparison with the laggard proceedings of government systems. As for the police, the tremendous growth of private security organizations is evidence that protection can be bought and sold. The Wackenhut Corporation, for example, provides central station alarms, screens passengers in airports, and patrols the Trans-Alaska Pipeline.

Mr. Friedman is entirely plausible in making a case for the extension of private arbitration and private protection. But he is not at all clear on what might happen if a contracting party were to go on strike against the decision of a private arbiter. He suggests that anyone who might welsh on an arbitration agreement could be blacklisted by the business community. But who would have the power to enforce the blacklist? When, in the days of the so-called McCarthy terror, certain screen writers were blacklisted they simply changed their names and went on providing moving picture scripts for studios that were willing to pay for a good product no matter who originated it. The "market" cares nothing for blacklists.

Mr. Friedman envisages a society

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in which there might be many courts and even many legal systems. Everybody would be entitled to his own protection agency. The pairs of protection agencies involved in a case would agree in picking a court. Ah, yes. But what if a murderer didn't like the court that had been chosen for him? Could he fire his protection agency at will? And what about appeals from a verdict? The whole concept of free market legal systems, competing in the same territory, is too nebulous for my grasp.

National Defense

When it comes to national defense, even Mr. Friedman boggles a bit. How, when nuclear submarines and intercontinental ballistic missiles cost billions, could they be financed by what would amount to charitable contributions? What if the contributions were insufficient to protect the whole country? Would New York, having contributed more per capita than Philadelphia or Atlanta, be entitled to better protection? The idea of letting private insurance companies finance national defense with money from their customers also runs into difficulties: some people might consider themselves to be insufficiently menaced to take out insurance. Mr. Friedman also rejects Ayn Rand's idea of financing national defense by having the government charge for the use of its courts. As long as a monopoly court system exists, it would be coercive taxation for the government to collect rent from anybody who is compelled to use the courts. Mildred Adams has suggested that voluntary taxation might pay for national defense. The citizen would pay his defense tax in return for getting the right to vote. But this would make the citizen part of a government, and how could any good anarchist accept that?

In the end, Mr. Friedman admits he has a baffling problem on his hands. If the free market cannot provide enough anti-aircraft defenses and cruise missiles, Mr. Friedman is prepared to make one exception to his anarcho-capitalist credo. "In such a situation," he says, "I would not try to abolish that last vestige of government. I do not like paying taxes, but I would rather pay them to Washington than to Moscow—the rates are lower."

Anyway, he says, "I said, near the beginning of this book, that I thought all government functions should be divided into two classes—those we could do away with today and those we hope to be able to do away with tomorrow." This makes David Friedman the realistic son of his father—and brings him closer than he thinks to the "old line conservative libertarians" who accept the limited government theory of Adam Smith and James Madison.

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A LITERATURE OF FREEDOM

Besides *The Freeman* and its articles, The Foundation for Economic Education publishes or otherwise stocks for resale a number of books of other publishers concerning the free market, private property, limited government concepts and the moral and spiritual principles underlying freedom. These titles and prices are listed in an annual catalogue-order form distributed with the November issue of *Notes from FEE*. Additional copies of that catalogue are available on request.

Several readers have asked for more descriptive reviews of these books than the catalogue affords; hence, the following abstracts.

This list by no means includes all the authors or books worth studying in the field, but it will suggest the various areas and ideas on liberty to be further explored.

BALLVE, FAUSTINO

Essentials of Economics

This is a primer of economics for the intelligent layman by a great Spanish authority. It deals lucidly with the basic concepts of economics and puts economic thought into historical perspective. It is a positive presentation of the principles of economics.

BASTIAT, FREDERIC

Economic Harmonies

It has been the great work of economics to discover the natural harmony that results when men are free to pursue their interests in their own way and prevented from using force and fraud. By contrast, socialists find discord, disharmony, and exploitation when men are free. Bastiat reaffirms and reasserts harmony in this his most extensive exposition of economics.

Economic Sophisms

This is Bastiat's most delightful book. It is devoted almost entirely to exposing the fallacies of protectionism and associated policies. His method is the logi-

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cal extension of their ideas to the point that their absurdities become apparent. Bastiat bemoaned the necessity of going deep, but his writings are so luminous that the reader can stand safely on the shore and survey the depths.

The Law

The law, it has been said, is nothing more than the will of tyrants. So it has been many times in history. But just laws depend upon a law which underlies the law passed by legislatures or declared by rulers. It is a law which provides the framework of liberty. Emancipation from the doleful theories of the compulsive state awaits discerning readers of this brief treatise.

Selected Essays on Political Economy

The discovery of economics by Bastiat conferred a great boon on the world. For through him a delightful way was provided for every literate person to discover economics. It was Bastiat's insight that all schemes of government intervention are more than somewhat ridiculous. It was his gift to present them in such a framework that others could see them in the same light. His essays on political economy hold the state up to the bright glare of the light in such a way that none who have read it should ever again be fooled by the fraudulent claims of the benefits of the use of political power.

BÖHM-BAWERK, EUGEN VON

Capital and Interest

Anyone interested in being "present at the creation" of the modern structure of economics, even vicariously, will find it exciting to read Böhm-Bawerk's studies. He may have been moved to some extent by his desire to refute the socialists, but it was even more important to him to get economics on a solid foundation. His lucid explanations may make it appear that the task was easy, but in this massive work, he was struggling manfully to nail the edifice of economics to a foundation that would hold it in place.

The Exploitation Theory of Socialism-Communism

The Labor Theory of Value was the foundation of Karl Marx's theory of exploitation, as well as that of many other socialists. Böhm-Bawerk here subjects the theory to careful analysis and exposes its fallacies. The impact of this demonstration is to cut the foundation from under Marxism.

Value and Price

Marx claimed that the price goods bring is determined by the labor that goes into making them available. The Austrians developed a counter theory to that of Marx. Value was their crucial concept in this theory. In this extract from a larger work, Böhm-Bawerk makes the seminal formulation of what he called "the subjective theory of value." By way of this theory, the buyer in the market place assumes his important role in determining price.

BROWN, SUSAN LOVE and others

The Incredible Bread Machine

Most history textbooks are filled with bias against private enterprise, and in favor of government intervention. A group of young people assembled materials that counter that bias. In clear and provocative language they have described the doleful impact of government

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intervention in the economy. They have, by so doing, uttered an articulate cry for freedom. The young may have their eyes opened by reading it; older readers may find hope in the appearance of such thoughtful young writers.

CARSON, CLARENCE B.

The American Tradition

Is the libertarian position incompatible with conservatism? Somewhere, perhaps, but in the United States, *NO!* This becomes clear in this careful and illuminating work on the American tradition. In the United States, a great tradition took shape that was protective of and in harmony with liberty. This book describes, too, how the tradition has been distorted and is being undermined.

The Fateful Turn from Individualism to Collectivism

Most histories ascribe the massive government intervention of the 20th century to changing circumstances. In this path-breaking work, Clarence Carson shows that it was changing ideas which really underlay the movement. The case for individual liberty is set in a philosophical framework freed from materialism and determinism.

The Flight from Reality

We live in a world of cause and effect. Predictable consequences follow from actions because there is an order in the universe that makes it so. Reformist intellectuals have emerged in our era who ignore this order, and this enables them to visualize a new order of their own creation. The result is spreading disorder, with tyranny in the wings. Theirs is the flight from reality.

The Rebirth of Liberty

Liberty has been all too often stillborn in the revolutions of our era. The promises of freedom were but deceitful allure from would-be tyrants. One revolution was different, however; it was the American Revolution. How the promise was turned into reality is the subject of this contemporary study of the great men and events of that revolt by Americans from English rule.

Throttling the Railroads

The railroads drew the American people into an economic union. Even before they had succeeded in doing that, however, governments began preying upon them, regulating, disrupting, and inhibiting their activities. This book tells the story of that regulation and its debilitating impact on a once great industry.

CHAMBERLAIN, JOHN

The Enterprising Americans

Those who are used to seeing American business pilloried for its warts will be pleasantly surprised—and relieved—by this study. True, businessmen have faults, even as do the rest of us. But they deserve to have their achievements memorialized without ideological bias. John Chamberlain has performed this service admirably and in accord with the canons of good scholarship.

The Roots of Capitalism

The connection between economic thought and practice is a vital one. In similar manner, the precondition of private property to the effective use of capital is essential. Chamberlain has woven these and other threads together to tell

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the modern story of freedom and production.

CURTISS, W. M.
The Tariff Idea
No notion has been more persistently held in our era than the one that obstacles ought to be placed in the way of goods entering a country. Even today auto stickers proclaim "Every foreign car imported cost 10 jobs for Americans". W. M. Curtiss has exposed this fallacy in this brief, easy-to-read and hard-to-put-down booklet. The case for freedom is clearly and forcefully made.

DIETZE, GOTTFRIED
In Defense of Property
What is the role of private property? Is it theft, as Proudhon proclaimed? Is it simply a means by which the individual pursues his selfish interests? Professor Dietze presents a quite different view in this erudite study. Property is the linchpin of civilization. It is essential to the determination and maintenance of what is proper. When the protections of it are removed, the civilization disintegrates.

The Federalist: A Classic on Federalism and Free Government
It is generally conceded that *The Federalist* was the greatest American contribution to political thought. It follows that a clear understanding of these papers and the thought of the men who wrote them is vital both to thinking about politics and to an understanding of the United States Constitution. Professor Dietze has provided invaluable aids to doing this in his seminal work on *The Federalist*.

FRIEDMAN, MILTON
Capitalism & Freedom
There is an unavoidable nexus between government and economics. The art of governing is entangled with economy. It is at the junction of the two that Milton Friedman brings his searching analytical mind to bear in this book. He realizes that the hope for freedom lies in reducing the role of government and extending the freedom of the individual. He makes not only some statements of general principles but also some interesting concrete proposals.

GARRETT, GARET
The People's Pottage
Something happened to the character, kind, and quality of American government in the 1930s. That the New Deal was the engine of the change none can doubt. Garet Garrett tells what happened and how it happened, clearly, vigorously, and with a horrified fervor. Above all, it happened in the kind of necessary order and under such a cloud cover of confusing language that it had to constitute a *coup d'etat*.

GREAVES, BETTINA B.
Free Market Economics,
2 volumes: *A Basic Reader* and *A Syllabus*
Economics has been described as the dismal science. Some students may even think of it as a dreary study with its endless charts, graphs, and statistics. But free market economics is not that way. It is a hopeful science. These selected readings and accompanying study guide make it as delightful as man thinking, discerning, and setting forth in the most attractive way his best ideas.

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GREAVES, PERCY L., JR.
Mises Made Easier
Professor Ludwig von Mises wrote within the framework of the great intellectual debates of the past century. Also, in his greatest work, *Human Action,* he wrote with fine precision, choosing just the word that expressed his exact meaning. For these reasons, a glossary of the most important concepts, and most difficult, is a great aid to those who would understand his writings. Percy Greaves has provided such a glossary written in familiar language.

Understanding the Dollar Crisis
The dollar is declining in value. There have been several official devaluations, and there is a continual day-to-day decline in its value. Why is the dollar falling in value? What is the cause of it? How can the situation be changed? In a series of lucid lectures, Percy Greaves answered these questions in Argentina, and they are now available in book form.

HALL, VERNA M.
The Christian History of the Constitution of the United States
The Constitution of the United States was founded upon the conception of a Higher Law. The Higher Law concept is itself founded in the belief in the laws of God. Verna Hall has collected and arranged in a single volume the evidences of the Christian foundation of our Constitution.

HAMILTON, ALEXANDER and others
The Federalist
Serious students of government, and particularly American government, may well begin with these papers written by John Jay, Alexander Hamilton, and James Madison. It is the most brilliant justification and explanation of the Constitution that has been made. The principles of effective government and liberty are set forth in this great work!

HARPER, F. A.
Why Wages Rise
Do real wages depend upon the growth of labor unions? The pumping of money into the economy? Higher minimum wage laws? Increased unemployment benefit payments? In this study of the trend of real wages in the United States since 1860, Dr. Harper traces their rise to the saving and investment of productive capital in open competition in a free market.

HAYEK, FRIEDRICH A.
Capitalism and the Historians
(edited by Hayek)
Did working conditions worsen with the coming of the industrial revolution? Did pre-industrial man lead a simple, unhurried, and gracious life? Have our historians presented an accurate picture of the economic past? Or were they all too often presenting distortions to promote political programs? The authors included in this anthology present some startling charges and support their allegations with a convincing array of evidence.

The Constitution of Liberty
Every party claims to favor freedom in our day. Yet this cannot be so, as Hayek points out, because some of their policies and practices result in the loss of liberty. The time has arrived to get a fresh hold on the meaning and implications of liberty. By his superb exposition, Hayek

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has drawn the domain of liberty so that those who will read him may survey it whole. More, he applies his theories to policies he would recommend.

The Road to Serfdom
What are the effects of economic planning by government? Is there a real choice between liberty and security? What happens to the rule of law under socialism? What happens to morality under socialism? Hayek answered these and other related questions about socialism during World War II. What has happened since has further confirmed Hayek in his belief in the superiority of freedom and the correctness of his analysis.

HAZLITT, HENRY

The Conquest of Poverty
What is poverty? How may it be reduced? What are or would be the effects of most proposed efforts? Of minimum wages? Of a guaranteed wage? Of a Negative Income Tax? Of forced employment? Of land redistribution? Mr. Hazlitt has taken up these and numerous other proposals and shows how ineffective they are, or would be. This is a sure-handed analysis of what is wrong with the programs that are supposed to help the poor.

The Critics of Keynesian Economics
(edited by Hazlitt)
Much of the world is in the throes of an inflationary binge the like of which has never before been experienced on this scale. John Maynard Keynes provided a theoretical justification of this inflation in his *General Theory*, published in 1936. It is eye-opening then to read what many leading economists have had to say about the Keynesian theory.

Economics in One Lesson
Does the destruction of buildings and equipment make for prosperity? Can government provide more employment? Do farmers need cheaper credit? Do jobs need to be spread around? Do protective tariffs benefit everybody? What is the impact of a government decreed minimum wage? Henry Hazlitt asks these and dozens of other questions and provides the answers—clearly, simply, directly, and persuasively.

The Failure of the "New Economics"
Was John Maynard Keynes' *General Theory* internally consistent? Was his "Propensity to spend" theory even factually based? Were his formulas really supported by any proofs? Why were the obscure theories of Keynes so popular? Henry Hazlitt has exposed the whole pretentious mess for what it is—a call for political action supported by a facade of economic obfuscations.

The Foundations of Morality
Utilitarian ethics has a modern, and gracious, spokesman in Henry Hazlitt. The spirit of conciliation runs through this his *magnum opus*. Those who disagree in some measure with what is persuasively argued here will nonetheless benefit from reading such an able exposition of it.

The Inflation Crisis, and How to Resolve It
In this 1978 updating and expansion of *What You Should Know About Inflation*, Hazlitt lays bare the facts about the New Inflation and analyzes problems the media scarcely skim, if they notice them at all. He shows how to protect yourself from the worst ravages of inflation, and

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shows how simple it would be to turn the tide—if we can develop the political will to do it.

What You Should Know About Inflation
What is Inflation? What causes it? What are the effects of inflation? Is a deflation desirable? Can government control an inflation? How can government be made responsible in its fiscal policies? Henry Hazlitt answers these momentous questions and answers them simply, directly, and with no unnecessary qualifications or complications.

HUTT, WILLIAM H. (edited by Svetozar Pejovich and David Klingaman)
Individual Freedom: Selected Works of William H. Hutt
Among the most tangled issues of this era are: state power and individual rights; how to restrain the state to free the individual; what to do about private groups (such as labor unions) who exercise coercive power; and whether a free market works or not. William H. Hutt sheds light on these with his precise thinking and careful scholarship.

JUNG, C. G.
The Undiscovered Self
A great psychiatrist speaks here out of a lifetime of experience to what is needed in the world today. There is one thing, he says, that can successfully stop collectivization. There is something stronger than the mass. It is the individual,—the unique, different, and exceptional individual. When the discovered self replaces the undiscovered self, such an individual emerges.

KIRZNER, ISRAEL M.
Competition and Entrepreneurship
The market is surely the key concept in economics. The tendency toward equilibrium is one of the concepts that is an offshoot of market theory. However, a good deal of mischief has resulted from a failure to grasp the entrepreneurial role and its contribution to competition. Professor Kirzner brings careful analysis to broaden our understanding of what happens in the market.

The Economic Point of View
What is economics? Does it consist of a department of human affairs? Or does it deal with an aspect of human action? Can there be a science of economics? How must it begin and what must be excluded from it? These are the basic questions which Kirzner examines in his fundamental study of the emergence of economics.

KOOIMAN, HELEN
Walter Knott: Keeper of the Flame
According to a famous historical treatise, the frontier ended in 1890. The frontier was understood to be a symbol of opportunity in America. If Walter Knott encountered this notion, he certainly did not believe it. The story of his life is a refutation of any such notion. His life is a testimonial, too, to the importance of freedom.

LOVE, ROBERT
How to Start Your Own School
A school which follows the guidelines of the freedom philosophy is an exciting undertaking. It treats parents and students as customers, education as a com-

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modity, the headmaster as a business man, and the teacher as a producer. Wichita Collegiate School has followed these guidelines, Robert Love maintains. The results are well worth examining.

MACKAY, CHARLES
Extraordinary Popular Delusions and the Madness of Crowds
Those who are enamored of the supposed wisdom and sagacity of the people might profit from reading this book. Any who suppose that the number who believe or participate in something tells us anything of its validity will find a healthy corrective. Doing what everyone does loses its attraction in the perspective of this marvelous history of mass delusions, whether the delusion was John Law's inflationary scheme, or witchcraft, or infatuation with thieves, or what not.

MANION, CLARENCE
The Key to Peace
Those who think that the American way can somehow be evoked by a vague and general term such as "Democracy" should be especially interested in this booklet. With great economy, Clarence Manion covers the key ideas in the Declaration of Independence and describes the basic institutions and practices. It reawakens pride in America and respect for the heritage.

MILL, JOHN STUART
On Liberty
Is individual liberty of value only to the individual? Can liberty be endangered by majority rule? What is the purpose of life? What is the connection between this and liberty? Where should the power of society end and the liberty of the individual begin? These are the questions which Mill asks and to which he provides illuminating answers in these essays.

MISES, LUDWIG VON
The Anti-Capitalistic Mentality
Why do so many intellectuals hate capitalism? Why is it possible to get the approval of so many people for measures to restrain and penalize businessmen? A gifted scholar brings his vast learning and intuition to bear on the subject. He even explains the popularity of the detective story from this angle. American readers will find this study particularly illuminating.

Bureaucracy
Bureaucracy is neither good nor bad in itself. It is an appropriate technique for the conducting of administrative agencies such as the police department. However, when bureaucracy enters the field of economic activities, the result is disregard for the interests of consumers and disastrous rigidity and stagnation of the economy.

A Critique of Interventionism
The economic principles that Mises expounded in these six essays during the 1920s have endured the test of time. The names and places have changed, but the same tired statist notions prevail. Mises' incisive criticisms are as pertinent for Americans today as they were for the Germans of the Weimar Republic.

Human Action
Although Mises wrote many books, this one is his *magnum opus*, the distillation of all his thought and learning. Although it is a broadly philosophical work and deals incisively with many

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branches of knowledge, all this is brought to bear on its object, economics. It is an indispensable work for those who would master the study of man acting economically.

Notes and Recollections
Written in 1940, this is the story of the European economist who valiantly defended European civilization against the "Socialists of the Chair" until that civilization had vanished in the darkness of World War II. This was the prelude to his second life of writing and teaching in the United States from 1940 until his death in 1973.

Omnipotent Government: The Rise of the Total State and Total War
Whence the penchant for total war in the twentieth century? How is this related to economic theory and practice? What was the demonic urge behind the rise of the Nazis to power? In essence, what did Nazis and Communists have in common? In this work, Mises brought his masterful powers to bear on the phenomenon of the total state.

On the Manipulation of Money and Credit
Translated by Bettina Bien Greaves and edited by Percy L. Greaves, Jr., are these earlier writings of Mises concerning political attempts to stabilize the purchasing power of money and eliminate the undesirable consequences of the "trade cycle." Also included is a bibliography of the works of Mises on money, credit and banking.

Planned Chaos
The destruction of liberty in America as elsewhere has been accomplished both by private violence and by the near irresistible force of the modern state. This "easy, bloodless and non-violent" transition to socialism is the subject of *Planned Chaos*. Professor Mises tells why the popularity of this policy is not a safe test of its soundness, why it fails in its avowed purposes, and what it does to nations which pursue it.

Planning for Freedom
Mises was one of the major theoreticians in the enduring principles of economics. These theories he was quick to apply to various of the controversies of his time such as "excess" profits, inflation, central planning, unemployment, and so forth. Mises took sides courageously and argued dispassionately and well.

Socialism
Is economic calculation possible under socialism? What does socialism do to society? How do capitalist countries prop up and enable socialist countries to survive? What is the crucial difference between interventionism and socialism? In this work, Mises used his great analytical powers to dissect the various aspects of socialism, to subject the ideas to the test of reality, and to expose their fallacies.

Theory and History
Whence came Marxism? What is the intellectual framework of socialism? How did European thought come to reduce so much of reality to history? This is a wide-ranging philosophical work on the great issues of our age. Follow a great mind as it wrestles through delusions to truth.

The Theory of Money and Credit
What people know, or think they know,

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about money and credit isn't necessarily so. For example, can government decree what is to be money in a society? Mises demonstrates decisively that this is not what governments do. In his careful scrutiny of every aspect of money and credit he brings new insight and precision to the handling of the subject.

MISES, MARGIT VON
My Years with Ludwig von Mises
Ludwig von Mises was very much the formal man in public. To know his writings and hear his lectures was not to know him personally. This gives especial value to these glimpses behind the scenes by the one who knew the greatest economist of the twentieth century best, his wife, Margit von Mises.

MOREELL, BEN
The Admiral's Log
Ben Moreell towered above most twentieth century Americans. Not because of his height—though he was above the average—not because of his accomplishments, though they were outstanding—prominent engineer, Admiral in the Navy, leading industrialist, writer, speaker, and statesman—but because of his courage, his integrity, and the high principles for which he stood. The best way to get to know him is through his speeches, some of the most important of which are included in these selections.

NOCK, ALBERT JAY
Cogitations from Albert Jay Nock
(Robert M. Thornton, editor)
There is a specific medication to purge the system of the disease of statism. Its name is Albert Jay Nock. True, the medicine is addictive if taken in large doses but the addict is only much freer of the thrall of statist cant. This booklet serves only to introduce Nock, but everything has to begin somewhere.

NORTH, GARY
An Introduction to Christian Economics
Is there a "Christian" economics? Indeed, is there an economics that does not have its foundations in Christianity? Do economic laws have ultimate sanctions? Dr. North has tackled these questions head-on and come up with revealing answers. Indeed, the answers are a part of Christian Revelation rightly interpreted, he insists. Christians will want to know what is said here; others need to know.

OPITZ, EDMUND A.
Religion and Capitalism: Allies, Not Enemies
Does Christian Socialism make sense? What are the ultimate foundations of freedom? What is the ultimate source of values and ends? Where does economics fit within the framework of philosophy? Is theism simply a convenient premise? An outstanding clergyman brings careful analysis and concern to bear on these enduring questions which are particularly important now.

READ, LEONARD E.
Accent on the Right
There are ways of looking at things that make it nearly impossible to decide anything. Leonard Read invites us to ask some questions that can be answered, to

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focus our attention in such a way that we can draw conclusions. He shows us how to work our way out of the darkness by following glimmers of light. That is the meaning of accent on the right.

Anything That's Peaceful
If Leonard Read simply announced that he favored anything that was peaceful, what man of good will could disagree with him? But he does not leave it there. He goes on to name and demonstrate that a great many things we are doing do not make for peace. He shows that the peacemakers are greatly outnumbered by the aggressors. The core of his philosophy is set forth in this book.

Awake for Freedom's Sake
Leonard Read's mission has been to stand in awe at the wonders about him—wonders both natural and man-made—and to open our eyes to their marvelous character. He has preferred the journey to the destination, curiosity to the knowledge, the imagination to the static condition, and freedom to security. It amazes him that so many should serve him in the market, unbeknownst to them, and he pauses to acknowledge what they do. Those who read this lyrical book may wish to join him in a chorus.

Castles in the Air
What is the secret to productivity? How may man's lot be bettered? Capital accumulation is not *the* answer. Tools are not *the* answer. These are valuable adjuncts in the effort to improve our material well-being. But there is a way to improve our moral, spiritual, and material well-being. First, there must be castles in the air. But for these to lead to anything, certain conditions must be present. Leonard Read sets them forth in this book.

Comes the Dawn
To humbly recognize and daily count our blessings is a vital first step toward that faith in freedom which will allow it to burst forth and overcome the darkness of socialism. Only then may we hope to bequeath to our children the foundations of liberty we inherited.

The Coming Aristocracy
Society must be shaped and influenced by aristocrats. Not hereditary aristocrats. Not aristocrats who lord it over other people. But aristocrats who are superior to others, who will be examples of what they teach, who will be followed because they so obviously know better. Leonard Read has some thoughts on how such aristocrats may emerge.

Deeper Than You Think
How do you measure growth? What is the effect of machines on our lives? What is the origin of the numerous "Problems" we hear so much about today? The answers, Leonard Read says, lie deeper than you think. They can be found only by getting things into a proper perspective. He demonstrates how it can be done with a number of telling examples.

Elements of Libertarian Leadership
A leader of mass men is one thing; a leader of free men is another. First it is necessary to know the difference. Then it is necessary to go to work changing and improving the one person who is available for the effort. Leonard Read explains why and how this is to be done.

The Free Market and Its Enemy
Who are the enemies of the free market?

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Is it the state? Is it the government? Is it ignorance? Is it thinkers? Leonard Read here sets forth an answer that is startling in its simplicity, yet covers the field of all the particular enemies. There is much else in this brief book, but the character of the enemies is the central point.

Government—An Ideal Concept
Some vital questions for those concerned with liberty. Is government necessary? Is government an evil? Is taxation a proper use of government power? What about conscription? What are the improper and illicit uses of political power? Leonard Read employs his basic premises and practical understanding to come forth with answers.

Having My Way
If there are macro problems in the world, Leonard Read thinks, they are probably reducible to micro problems. More specifically, the great problems are really problems with individual dimensions. They are of this order: How can I improve myself? What should my attitude be? How can I become the sort of person that other people would want to be with and consult? The answers to these and other such questions turn out to be wondrously in accord with the freedom philosophy.

Instead of Violence
Violence, Leonard Read suggests, is the way to destruction. It is the easy way—just as it is easier to destroy a structure than to build one—with the hard results. It is the way to inhibit creative activity and to foreclose opportunities. There is another way. Here is his rhapsody in tribute to that way.

Let Freedom Reign
Every man wants to be free himself, although he may not be so enthusiastic about the responsibilities entailed. But freedom for others—that is another matter. It is all too easy to imagine how this would threaten us. One of Leonard Read's great insights is how potentially beneficial to all of us is the freedom of others to create. This book focuses upon that insight and unfolds it in a variety of ways. The *pièce de résistance* is "The Miracle of a Meal." But each essay contains its own special tribute to freedom.

Liberty: Legacy of Truth
In contemplation of his 80th birthday, Leonard Read counsels that one's ambition in every laudable endeavor should be nothing less than an ever-improving excellence. Out of perpetual inquiry, the wooing of truth, comes the understanding and practice of the liberty on which our lives depend.

The Love of Liberty
What is liberty? Why love it? How does love of self merge with the love and concern for others? Out of a lifetime of commitment to liberty, Leonard Read speaks with authority on the burning issue of our day. He grasps the concept of liberty at its center and unfolds its numerous aspects for those who will to see.

Talking to Myself
It is commonly believed that people who talk to themselves are at least slightly "off." On the contrary, Leonard Read holds that it may well be our most rewarding undertaking. True, it is not necessary to talk aloud, but the inward dialogue is itself essential. It may be that

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we will be ready to communicate with others when we have talked it out with ourselves. The method that Read recommends is clearly set forth here.

Then Truth Will Out

The problem, Leonard Read says, is fundamentally moral and spiritual. Understanding is important, and economic understanding is essential. But where there is greatness there must be great individuals. When men of virtue emerge, they will be followed. The aim of this book is to awaken the dormant spirituality within us.

To Free or Freeze

Leonard Read has the knack of putting into everyday words the conclusions of many great thinkers. In this book he does that for some basic economic ideas. Others may explore in intricate detail the framework of economics. For him it is enough to go from premise to conclusion in as short a fashion as possible so that the connection is not lost. He presents some of the great economic and political issues of our day in such a way as to make a choice possible.

Vision

"What is man that thou art mindful of him?" Leonard Read tells us that he is a creature of limitless potentialities. How can those potentialities be realized? What will free them for our benefit and enjoyment? Well, first there must be vision. But to have vision, there must be hope. In this volume, Leonard Read has not so much supplied us with his vision as told us how we can have our own.

Who's Listening?

It is a fact of life that when you learn a new word you begin to see and hear it often. Whereas, before, you cannot even recall having encountered it. You have become ready for that word. Read's Law of Readiness comes into play. You are listening. This is a book for those who are willing to be ready.

ROCHE, GEORGE CHARLES III

American Federalism

What is the essence of the American system of government? Is it a centralized democracy? May a majority rightfully do whatever it pleases? What roles do the states play in our system? In this succinct study, George Roche covers the past, the present, and offers some thoughts for the future of federalism.

Education in America

Is education, and more education, a good thing? Does everyone need the same amount of education? What sort of education is wanted? George Roche answers these and related questions. He presents many of the current criticisms of education and presents sound advice for getting education headed toward the target.

Frederic Bastiat: A Man Alone

Bastiat's ideas were in many ways timeless. His critique of protectionism will be relevant so long as there are those who use government to secure for them or to protect their vested interests. Yet he lived at a particular time in history, at a time when most of the heterodox ideas which are still besetting us were formulated. George Roche has provided the setting which helps to clarify and illuminate Bastiat's writings.

Legacy of Freedom

Freedom is not simply something that can be conceived and discussed. To know

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it is not just to know an idea, ideology or philosophy. It has a history, a background, and a tradition. It has taken shape within the warp and woof of societies. Dr. Roche has here evoked and described that great tradition.

Power

The extensive use of political power has two general impacts. One is the restriction of individual liberty. The other is the disruption of society. George Roche explores both of these effects here. He also provides a synoptic history of efforts to limit power.

ROTHBARD, MURRAY N.

America's Great Depression

What caused the depression that followed upon the stock market crash in 1929? Did it signify the failure of the capitalistic system? Was it the result of under-consumption? What part did government intervention play in setting off the depression? Professor Rothbard brings the analytic tools of an economist and the descriptive powers of the historian to the task of solving these riddles. His conclusions are unusually valuable for understanding both the past and the present.

The Essential von Mises

Those who have never heard of the Austrian School of economics will find here a stimulating introduction to it. Those who are well acquainted with it can see the whole movement in perspective. Rothbard brings the movement and the men—particularly the man, Ludwig von Mises—alive in this stirring account.

Man, Economy, and State

Perhaps the most distinctive contribution of the Austrian School has been to restore man to the economic equation, not, it should be noted, sentimentalized man but man acting, man thinking, man making choices among means to achieve his ends. Murray Rothbard has integrated this insight into a statement of economic principles. The result is a dynamic view of economics which provides the guidelines for economic and political action.

What Has Government Done to Our Money?

Money is supposed to be a most difficult subject. It may be, but none would ever guess it from reading Murray Rothbard on the subject. He explains the intricacies of money in clear and simple language, easy to follow and fascinating. Nor does he leave any doubt that government has wrought havoc with our money.

RUSSELL, DEAN

Frederic Bastiat: Ideas and Influence

Devotees of freedom who have not discovered Bastiat have a treat in store. After reading his devastating critiques of various government interventions, it becomes important to know the man behind the polemics and what he did about his ideas. Professor Russell provides a valuable guide to the man, his ideas, and his actions.

SENNHOLZ, HANS F.

Death & Taxes

What are the individual and social effects of taxes on estates? Is it true that inheritance taxes are painless? What general impact on capital does the tax and methods of evading it have? Profes-

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sor Sennholz provides a well thought out manual for those who want light rather than emotional verbiage on the subject.

Gold is Money (edited by Sennholz)
Economists who do not talk sense about money do not talk sense for very long. That is because economics has to do mainly with exchanges of goods, and money is the medium of exchange. The authors of the essays in this book talk sense about money. It is, therefore, an invaluable foundation for anyone trying to understand economics.

Inflation, or Gold Standard?
Much of the debate about money assumes that there are all sorts of monetary possibilities. Professor Sennholz maintains the contrary. The live choice is between inflation or a gold standard. Experience and theory support this conclusion.

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Faith and Freedom
J. Howard Pew was a distinguished entrepreneur, Christian layman, and philanthropist. He brought a similar zeal to each of these undertakings. His business career was a tribute to free enterprise and his greatest concern, next to advancing the Christian religion, was the expansion and preservation of individual liberty. The story of his life emerges in the words of Mary Sennholz and the account of his beliefs is in Mr. Pew's own words.

SMITH, ADAM
The Wealth of Nations
Before the publication of this work, there was no branch of knowledge deserving of the name of economics. True, there were some works published about how some people could get ahead at the expense of others. It was Smith's great achievement to perceive an order within which each man's efforts benefited all. Smith's economics is firmly grounded in self-interest, and a basis is established for the general improvement of mankind.

SOWELL, THOMAS
Race and Economics
Thomas Sowell has ploughed new ground in writing about race and economics. Much moralizing has of course been done on the subject, but all too little careful analysis. The author of this enlightening book brings both a knowledge of economics and the history of races and ethnic groups in the United States to his discussion. Those who would replace sentiment and prejudice with learning need to consult and study this book.

SUMNER, WILLIAM GRAHAM
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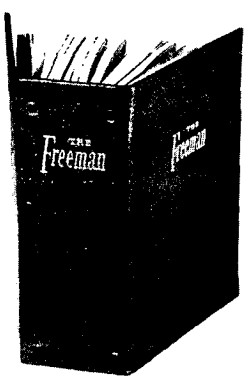

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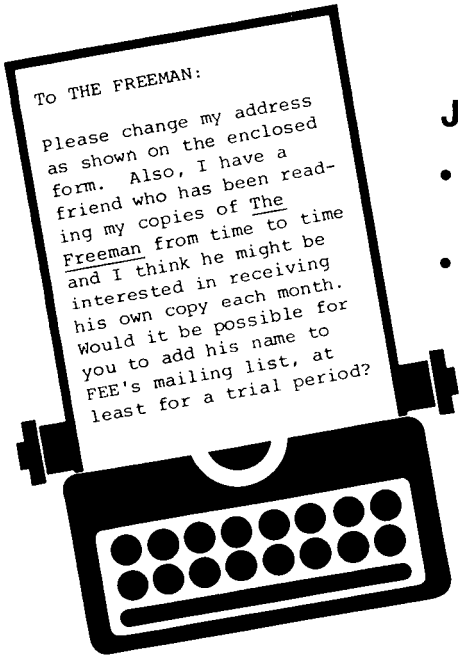
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